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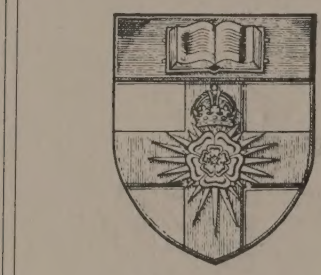

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REPORTS

FROM

COMMISSIONERS, INSPECTORS,

AND OTHERS:

THIRTY-FIVE VOLUMES.

—(1.—PART II.)—

AGRICULTURE.

Session

12 *March* 1894 —— 25 *August* 1894.

VOL. XVI.—PART II.

1894.

REPORTS

FROM

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THIRTY-FIVE VOLUMES:—CONTENTS OF THE

FIRST VOLUME.—PART II.

N B.—*THE* Figures *at the* beginning of the line, *correspond with the* N° *at the foot of each* Report; *and the* Figures *at the* end of the line, *refer to the* MS. Paging *of the Volumes arranged for The House of Commons.*

AGRICULTURE (ROYAL COMMISSION):

[c. 7400–II.] Minutes of Evidence, with Appendices. Vol. II. p. 1

ROYAL COMMISSION ON AGRICULTURE.

MINUTES OF EVIDENCE

TAKEN BEFORE

HER MAJESTY'S COMMISSIONERS

APPOINTED TO INQUIRE INTO THE SUBJECT OF

AGRICULTURAL DEPRESSION,

WITH

APPENDICES.

VOLUME II.

Presented to both Houses of Parliament by Command of Her Majesty.
1894.

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1894.

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MINUTES OF EVIDENCE

TAKEN BEFORE THE

ROYAL COMMISSION

ON

AGRICULTURE.

At 23, Great George Street, Westminster, S.W.

Twenty-fourth Day.

Thursday, 29th March 1894.

PRESENT:

The Right Hon. GEORGE JOHN SHAW-LEFEVRE, M.P., in the Chair.

Captain Owen Thomas.
Cornelius Neale Dalton, Esq., C.B.
Robert Lacey Everett, Esq., M.P.
George Lambert, Esq., M.P.
Charles Whitehead, Esq., F.L.S.

Herbert Lyon, Esq., *Secretary.*
R. F. Crawford, Esq., *Assistant Secretary.*

Mr. James Kay and Mr. James Barlow called and examined.

Mr. J. Kay and Mr. J. Barlow. 29 Mar. 1894.

13,943. (*Chairman to Mr. Kay.*) You are the chairman of the Blackburn and District Farmers' Association, embracing Darwen, Church, Oswaldtwistle, Accrington, Mellor Samlesbury, &c., are you not?—Yes.

13,944. That association, together with several others, decided a few years ago to form a federation of the Lancashire Farmers' Associations?—Yes.

13,945. And you were appointed its first chairman and have since continued in that position?—Yes.

13,946. Mr. Kay Shuttleworth was vice-president of the federation?—Yes.

13,947. On his resignation Mr. Barlow, who is with you to-day, was elected in his place?—That is so.

13,948. Mr. Barlow is chairman of the Rossendale Branch, I presume?—Yes.

Lancashire Farmers' Association.

13,949. The Lancashire Federation of Farmers' Associations embraces some 700 members?—That is so.

13,950. It is entirely distinct from Mr. Smith's Federation of Tenant Farmers?—It is quite distinct.

13,951. Were they originally a part of the same association?—No, it is not quite correct to say that Blackburn was originally a portion of the local association at Preston. If I might put it in my own way I may lead up to our present position. The Local Association of Preston, of which Mr. Rimmer was one of the most active members, was exactly on a par with our association at Blackburn, and Mr. Barlow at Rossendale and Fylde, and various other places. This is what I might call the Tenants' Association in Lancashire from its commencement.

13,952. When was that?—In the beginning of 1892. The first chairman at Preston was Mr. Hothersall, auctioneer and farmer; Mr. Gillespie succeeded him, and it was during Mr. Gillespie's chairmanship of the Preston Local Association that a suggestion was made by him that these various associations should form into one federation for Lancashire, and the Preston Local Body endorsed that opinion and appointed a committee to draw up the heading and the rules of the suggested federation. Fortunately I have been able to find amongst my own papers the exact suggestions which are here, and which are headed "Rules of the Lancashire Federation of Farmers' Associations." This was to be submitted to a meeting of the various Farmers' Associations at Preston; Mr. Gillespie was in the chair. We found that of the four or five associations which were represented there, including Blackburn, Rossendale, Poulton-le-Fylde, and Bury, all were agreed to accept the title of this federation except the vice-chairman of the Preston Association itself, and that was Mr. Rimmer; he objected to the absence of the word "Tenant" between the words "Lancashire" and "Federation."

Mr. J. Kay and Mr. J. Barlow. 29 Mar. 1894.

13,953. I do not think that we need go generally into these differences, but we may take it shortly that you were unable to come to an agreement?—That is so, and the word "Tenant" was the ground upon which we split. We all agreed and we felt, I must say, that it was a little act of discourtesy, after leaving the whole thing to Preston to draw up the suggested rules, and when all were unanimous to accept them, for the vice-chairman of the Preston Association itself to be the only one to object to them, and the consequence of this was that we decided that day to go on with our federation, and Preston was the only one which remained outside it.

13,954. Did the Preston Association eventually develope into the Tenants' Federation of which Mr. Smith has been the exponent before us?—I think I ought to say that in the meantime the Preston Association

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29 Mar. 1894.

had called itself the Lancashire Tenant Farmers' Association, but some people, including Mr. Smith, were opposed to that, they thought that they had no right to take such a title because it was a purely local body, and it was distinctly proved that if we agreed upon this federation in place of the Preston Farmers' Association, that if this federation went on, that Preston was to revert back to the original title of "The Preston and District Farmers' Association." But that federation failing, Mr. Gillespie, the chairman, and Mr. Rimmer, the vice-chairman, quarrelled at that meeting and the result was that Mr. Gillespie, who was past chairman, declined to act further as the chairman and he was acting temporarily as the chairman of the associations which were trying to federate, and that meeting was adjourned until later on in the same day, and the federation which we represent was formed that day and Mr. Gillespie was our honorary secretary, and he has remained so ever since.

13,955. Did the Preston Association develope into the Farmers' Federation?—No. It calls itself the Lancashire Tenant Farmers' Association still. I believe Mr. Smith did not agree with what they did, and he has since formed the federation of which Mr. Rimmer is one of the leading spirits, and Mr. Rimmer is now the chairman of the Lancashire Tenant Farmers' Association which I prefer to call the Preston Farmers' Association for that is what it really is.

13,956. Mr. Smith formed his association independently of this?—Yes, and it has led to a great deal of confusion. The two titles of the Lancashire Tenant Farmers' Association and the Lancashire Federation of Farmers' Associations (which we represent) we retaining the very suggestion which came from them and which was decided upon in April 1892.

13,957. Your association numbers some 700 members you say?—Rather over that number.

13,958. You have views distinct from the association represented by Mr. Smith, I understand?—Yes.

13,959. What are the points of difference?—We do not believe that it is absolutely necessary for any farmers' organisation to limit itself strictly to the word "tenant."

13,960. But that is only a matter of form. I want you to give us the substance of your differences now?—Mr. Smith's federation, which is called the Farmers' Federation, is, I think, without any limit to its locality, I may say that the principal difference between us is this: that they advocate what is generally called and known as the three F's; we, on the other hand, do not approve of that at all; we go in for either an absolutely improved Agricultural Holdings Act, or what we prefer, a Tenant Rights Bill.

The three F's.

13,961. Has the question involved in the three F's been discussed by your association?—Frequently.

13,962. And your association has come to an adverse opinion as to the expediency of the adoption of the three F's?—Yes.

13,963. That is, fair rent, fixity of tenure, and free sale?—Well, free cultivation is an adjunct to the policy of Mr. Smith's Federation, and under that heading the nearest approach to unanimity of feeling in Lancashire can be found. We have more sympathy with that particular point than with any other.

13,964. But you do not consider it expedient to relegate the subject of rent to a tribunal?—Certainly not.

13,965. Will you state shortly your reasons?—First, that it would interfere with what we wish to leave untouched, that is, the absolute freedom of contract between landlord and tenant; secondly, that it would necessitate a very large expenditure, including a large number of official appointments which could only be brought about at extremely great cost, inasmuch as it would necessitate every farm in the country being valued. And we say this, that if you are giving tenants absolute security for the improvements they effect in their holdings they are satisfied without any further fixity of tenure. They do not care about being fixed to the farms further than that they are compensated for the improvements made and for the money spent.

13,966. And they do not think it desirable that the rent should be fixed by an independent tribunal or that a fixed term should be given to them for those rents?—No; take the last five years back it would have meant absolute ruin to a number of farmers if the rent had been fixed five years ago. During that time the prices have been falling and the tenants have been losing money, and under that system they would have been fixed for a number of years, whereas under the present circumstances, though there is room for great improvement, the tenant is free to go at 12 months' notice or six months' notice as the case may be.

Mr. J. Kay and Mr. J. Barlow.

29 Mar. 1894.

13,967. I presume there is the same objection to the term of five years for the rent being fixed by the judicial tribunal as there is to a lease?—Certainly.

13,968. And that whatever objections farmers feel now to taking leases they would feel to having rents fixed by an external tribunal for five years?—Precisely the same objection.

13,969. Would you consider that if a rent were fixed by a tribunal for five years it would be impossible to induce the lessor to make a reduction in the interval?—I think the result of any such tribunal for fixing rent would be to alienate the sympathy that any good landlord has for his tenant, and to call forth any vindictive feeling which a bad landlord has for his tenant.

13,970. And if the falling rents during the last few years had been judicial rents, it would not have been to the interest of tenant farmers?—It would have been very much the reverse.

13,971. They could not have got the same reductions that they have obtained during that time?—That is so.

13,972. Would you state what you think should be done?—We propose an entire alteration in the Agricultural Holdings Act, which we consider is almost inoperative in Lancashire; first, because it is so very expensive; secondly, because its terms are so indefinite and uncertain; and thirdly, because in the few cases which have occured in Lancashire where tenants have taken advantage of it, the claim which under that Act must be sent in by the tenant two months before the expiration of the tenancy is almost invariably met by an enormous counter-claim on the part of the landlord, who has had the opportunity of seeing every item of the tenant's claim.

The Agricultural Holdings Act.

13,973. Now take the first point, namely, that it is expensive. Have you any illustrations to give us on that point?—I think I was the first tenant farmer in Lancashire to fight that case, and the amount of compensation which was awarded to me was 125*l.* Against that the landlord had a very big counter-claim, but he was only awarded some 30*l.* This was a friendly arbitration on which two land agents sat, one for each side, and these two had to appoint an umpire. Though this was a kind of friendly arbitration, my share of the expense for that court was 30*l.* or 30 guineas, I forget which, and unfortunately, I had my own solicitor and my own witnesses to pay in addition. I know that the landlord had at least that sum to pay, if not more; so that the award, which was 125*l.*, had cost some 60*l.* or 60 guineas besides all the private witnesses' expenses.

Expensive procedure of the Act.

13,974. That was independently of your private witnesses' expenses?—Yes; the 60*l.* or the 60 guineas were the official expenses which had to be paid.

13,975. And that was for the determination of 125*l.* on one side and 30*l.* on the other?—Yes. Then, again, I have another objection, and I take that as an illustration. On each side, generally speaking, there is a land agent. Now in this particular case I found that the agent who was acting for the landlord had been brought up in the office of the umpire, and I consider that that fact of itself speaks in favour of an alteration of the law so that official arbitrators in some cases ought to be appointed.

13,976. Did the two arbitrators and the umpire sit together?—Yes.

13,977. So that involved three important persons, experts, hearing this one case?—That is so.

13,978. I presume that the appointment as an umpire of a man in whose office one of the arbitrators had been brought up was rather a mistake of the other arbitrator, and that he probably was not aware of the fact. The umpire was agreed upon, I suppose?—Yes, he was agreed upon. I myself did not know, nor did the land agent who represented me, that the arbitrator had been brought up in the office of the umpire.

13,979. What have you to suggest as an alternative method of investigating these questions of dispute, because I presume they must be difficult questions?—They are extremely difficult.

Mr. J. Kay and Mr. J. Barlow.
29 Mar. 1894.

13,980. And whatever plan you adopt must be attended with some cost and labour?—That is so. We advocate that each county council shall appoint a number of competent valuers, not all to be land agents—in fact we feel very strongly upon that. Certainly not more than one-half ought to be land agents. In every county there are plenty of agricultural auctioneers or farmers who are competent by reason of their education and their experience to deal with such matters, and we think that an equal number of those men should be appointed from each county. We have no objection to that being subject to the Board of Agriculture. The difficulty which presents itself to our mind, and which presents itself to everybody's mind, is in the umpire.

Official valuers.

13,981. Am I to understand that you still desire that each party should select from those official arbitrators his particular agent in the matter?—Yes.

13,982. And that two arbitrators between them should appoint an umpire?—We prefer that in the absence of any better arrangement, but we are not pledged to that particular thing. If the two arbitrators cannot agree we think they should call in a County Court judge as umpire. If a more practical man could be selected, who is totally independent of either the landlords' or the tenants' interest, and who would act for the county, so much the better; but with a view to lessen the cost, and as a County Court judge is good to get at, in the absence of any better arrangement we have suggested the County Court judge as the umpire.

13,983. When you referred to the heavy expenses in that particular case, you mentioned I think, the costs came to 60*l.* between the two parties?—Yes.

13,984. Did that mainly consist of some fees which had to be paid to the arbitrators and umpire?—Almost entirely. I think it took two days, and they charged something approaching 10 guineas a day.

Payment of official valuers.

13,985. Now, these official arbitrators who are to be nominated by the county councils, are they still to be paid by the parties to the dispute?—Yes, we propose that they should be paid by the parties to the dispute, but that their fees shall be fixed, and we quoted as a precedent for that the arrangement under the recent Swine Fever Bill, by which the Board of Agriculture have power, and I believe they approach agricultural valuers in various districts, and get their consent to act in case their services are required in the way of valuation of pigs affected with swine fever, and their fees are named. I think that these fees do not exceed a guinea and a half for half a day, or three guineas for a whole day. There will be no difficulty whatever; and I know this as a practical man, there will be no difficulty at all in getting good men, even land agents, or agricultural valuers, or tenant farmers, to devote their attention to that particular business on such terms.

13,986. What did the arbitrators get paid per day in the case you referred to?—I cannot quite say, but I may say that the expenses were limited. The 60 guineas, or say 60*l.*, were paid to the two arbitrators and the umpire.

13,987. How long did they sit?—Two days.

13,988. But the fees seem to be very heavy for two arbitrators and an umpire sitting for two days only?—That is so.

13,989. That appears to me to be rather the fault of the persons who appointed them, that they made a bad bargain?—There was no bargain made. We simply left the apportionment of expenses to the umpire, and each party has to sign an agreement and undertake to pay to that effect before the sitting commences.

13,990. Then the procedure will be the same; the only difference in your suggestion is that the appointments must be made from a class nominated by the county council and with regulations as to the fees that they shall charge in the future?—Yes.

13,991. That is the essence of your proposal?—Yes, so that either side knows before he goes into his case the basis of the charges that can be made for the work done.

Appointment of umpire.

13,992. If the two arbitrators do not succeed in appointing an umpire I presume that the umpire would not be restricted to the persons named by the county council?—We have suggested the county court judge as the umpire in the absence of anyone better.

13,993. That is if they do not agree?—Yes.

13,994. But it would still be open to agree upon the umpire?—I beg your pardon, if they do not agree upon the award; we do not propose to give them any opportunity of agreeing upon the umpire who shall be the county court judge.

Mr. J. Kay and Mr. J. Barlow.
29 Mar. 1894.

13,995. You mean when they do not agree themselves upon the amount?—That is so.

Schedules of compensation.

13,996. That would be in almost every case?—Well, there is another point there; one of the failings of the present Agricultural Holdings Act is that it is so indefinite, and that there are no schedules, and we propose to remedy that so as to bring it to such a position that any school boy having the voucher before him for the improvements that have been effected could sit down and reckon up without any trouble what the farmer was entitled to under the schedule. We say that the absence of the schedule from the present Act is one of its greatest weaknesses.

13,997. You think if the Act were more definite upon that subject it would lessen very much the difficulties of the arbitration, and would probably enable the two arbitrators nominated by each of the two parties to come to an agreement without the necessity of a reference to an umpire?—Yes, because it would be more a matter of fact than anything else, the claim would be based upon the actual figures of expenditure.

13,998. Still there may be considerable difference of opinion as to the actual amounts which have been expended?—I do not see that you can have any difference of opinion, because at present these claims are regulated by vouchers which are produced. Take, for instance, third-class improvements in the case of provender; the arbitrator is totally unable to go into the matter at all except on the basis of the vouchers produced before him.

13,999. But it is suggested that the compensation under the Agricultural Holdings Act should be extended to the the matter of corn which has been grown on the farm for feeding?—I am aware of that.

14,000. The determination of how much is due to the outgoing man in respect of expenditure on feeding of that kind would naturally give rise to considerable difference as to the fact?—Of course, and I may say that we represent purely grass districts. I do not think in my part of the country that I can find a ploughed field within 10 miles, but as far as I know those suggestions are always accompanied by a stipulation that a grinding record shall be kept and that satisfactory evidence of the home-grown corn shall be produced.

Scheduling of improvements and dilapidations

14,001. What are the precise changes in the Agricultural Holdings Act as regards those points that you have now brought before us, namely, the more precise definition?—That accompanying the Act a distinct schedule, both of improvements and the scale for improvements as well as a schedule of landlord's dilapidations, shall be appended to the Act itself, so that if a man does a certain amount of drainage and he leaves his farm in five years from the time that he has done that drainage he knows exactly how many years he has to claim for compensation for unexhausted improvement, and we think that it is possible to arrange such a Bill and schedule as shall cover everything that a tenant farmer can effect.

Compensation for drainage.

14,002. Has there been any drainage in your district effected by tenant farmers under the existing provisions of the Agricultural Holdings Act?—I do not know of any. In my own farm (I am both a tenant farmer and a small yeoman proprietor) I have found it necessary to supersede the drainage that was done by the Government some years ago. It was absolutely worthless. I consider that anything of the kind ought to be subject to local superintendence.

14,003. Did you effect the drainage yourself?—Yes, but that was on my own land.

14,004. In respect of the farm which you hired, did you effect any drainage?—No. I have a case in point, a farm of 100 acres which I have taken at 14*s.* per acre, but there is no reason in the world why that land should not be worth 25*s.* an acre if it were drained. This is a typical case. The estate is practically bankrupt. I know that it is bound to change hands. I know that I cannot get permission to drain it, and I know if I drained it, it would be at my own cost.

14,005. But under the Agricultural Holdings Act, that would not be so?—I cannot do it without the landlord's consent.

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14,006. But you may give notice to the landlord that the land requires drainage, and he has the opportunity of doing it himself; if he does not do it himself, then the tenant is entitled to do it?—Well, but in this case I may say that practically the estate is bankrupt.

14,007. That only comes to this, that the owner of the estate, being bankrupt, is not likely to do it, but under those circumstances you are entitled under the Act as it stands, to do it yourself?—I believe that is so, but this fact remains that provided I did it myself, the probability is that the only person against whom I have my remedy is a bankrupt. It is a very large estate, and I should be very foolish to do anything of the kind.

14,008. But that comes to this, whether the compensation under those circumstances provided by the Act is sufficient—you would not make your claim until you left the holding?—That is so.

14,009. And upon leaving the holding you would be entitled to compensation under the Act as it stands. Whether that compensation as defined by the Act is sufficient is another question, but still you would be entitled to compensation?—Drainage is a question that has not affected us much, because we feel that if the landlord does the drainage, as he does in most cases, (there has been a great deal done by the landlords at the present moment) it is done in lieu of reducing the rent.

14,010 Do you think that if the Agricultural Holdings Act were altered, the tenants would do the drainage or would leave it to the landlord to do?—I think that a good many landlords and tenants would agree with me that drainage is a matter which stands absolutely apart by itself. I believe that it is to the interest of the country, apart from the question of landlord and tenant, that all land should be drained, but there ought to be some means of dealing with mortgaged estates. I know many estates where, however willing the landlord might be to drain the land, he has not the means.

14,011. That is evidently what the Agricultural Holdings Act was intended to meet when it provided that the tenant who wanted his land drained, might give notice to the landlord, and if the landlord could not do it then, the tenant might do it?—But then I would draw your attention to the fact that the drainage of this 100 acres would cost about 800*l.* It stands without much saying that very few tenants in Lancashire have the means of spending 800*l.* on drainage.

State loans for drainage.

14,012. Well, I want to know how you would deal with such a case?—I would deal with it in this way, and I was illustrating it when I was speaking of this as a typical case. The trustees have received notice to pay off the mortgage, and the trustees, I am afraid, cannot find the money. Now I mean to say that if I could borrow or insist upon the landlord or the mortgagee borrowing the 800*l.* necessary to drain that land at something like the terms at which the Government could get the money, the land would be better worth the increased rent to me than it is worth the 70*l.* I now pay. The position of course of the mortgagee comes in, but I am certain that the position of the mortgagee would be better, provided some prior claim was given to the 800*l.*, which we will suppose that the Government advanced, than it is to-day.

14,013. But you are aware that there are societies which will advance money to the landlord for draining the land, charging the land with a certain annuity for a certain number of years which will repay the principal and interest?—But they charge such a rate that it is utterly impossible for the land to pay it.

14,014. But you desire the Government to lend money at a low rate?—Yes.

14,015. That seems to involve the proposition that the tenant as a rule would not be able to do it himself?—I do not think he would.

14,016. Although you might make an additional security under the Act to meet the case where the tenant should effect the drainage, yet you do not think that the tenant would be able to do so?—I do not think that he has the means.

Execution of drainage by Board of Agriculture.

14,017. Therefore in the main you must look as regards the drainage to the landlord, either with or without the assistance of the State?—Yes; but I would make provision that the tenant, in the case of the landlord being unable or unwilling to effect the drainage which the tenant requires, if the landlord is unable to do it that the tenant should appeal to the Government department charged with this particular thing.

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14,018. That is somewhat of an extension, namely, if a landlord is unable or unwilling to drain the land himself, and if the tenant has not the money himself to undertake the drainage, that then there should be some process through the intervention of the Land Department, and that the land should be drained notwithstanding the landlord's objections, and that the charge should be put upon it and collected by the Department?—That is so, and the same remark applies to some of the first-class improvements under the present Act. There are some of those improvements which, under the present Act, you are bound to get the sanction of the landlord to accomplish.

Improvements to be sanctioned by official referees.

14,019. What are those improvements?—The erection of buildings, the enlarging or improving or any alteration of roads, bridges, watercourses, making of wells, reservoirs, works of irrigation, supplying water for agricultural purposes, making of fences, reclaiming of waste land, drainage of land, laying down of permanent pastures, and so forth. We consider that if a tenant appeals to a landlord for some of those first-class improvements to be effected and the landlord does not agree that such things would be an improve to the holding, there should be some means of referring to an official referee in the county as to whether those would be improvements or not, so that the question should be decided before the improvements are made, and not left to take their chance when the tenant leaves the farm. If the official referee says that they are unnecessary, and that they are not necessarily an improvement to the holding, they will not be done, but if he gives a certificate that they are necessary and an improvement to the land then the tenant could go on with that certificate, and he would know that by Act of Parliament, according to the schedule, what his claim for compensation should be at the end of his tenancy.

14,020. Then you would interpose a tribunal of some kind on this matter as between landlord and tenant to dispense with the veto of the landlord?—Yes.

14,021. In that case it would rest with the tenant to effect the improvement?—If the tenant wished.

14,022. Do you think, having regard to what you have said about drainage, that the tenants would expend much money in this direction on permanent buildings?—There are many cases in which tenant farmers would do so, especially in the district in my own local association, in the neighbourhood of Blackburn, where tenants are undoubtedly cramped for accommodation for cattle. They would put up buildings provided that they could get permission which, in many cases they cannot get because their landlords are absent or the estates are in Chancery or involved, and the landlords leave it entirely to agents who say they have no power, and for one reason or another they will not agree to anything.

Value of provement to incom tenants.

14,023. Have you anything further to say upon the Agricultural Holdings Act?—Yes. We consider that there are three or four blots on the Agricultural Holdings Act as it is at present. In the first place we do not consider that it is necessary to say what the improvements shall be to the incoming tenant, because a man may be an improving tenant, he may have done his best to farm his land with the approval of the landlord, and in spite of fiscal laws or some other arrangement over which he has no control the value of the land may go down, and that imports an element for which he is not responsible. I may take a farm at 300*l.* and farm it well, and still, in spite of the depression in agriculture, when I choose to leave that farm in three or four years' time I find that that farm will not fetch more than 200*l.* a year. When arbitration cases come on in Lancashire there is a feeling that if a farm when a man took it was worth 300*l.*, and on the tenant giving it up it is only worth 200*l.*, he consequently cannot have improved it. But that is not the fact.

14,024. What clause of the Act would that be?—The Act says that the value of the improvement must be the value to the incoming tenant.

14,025. But you are now suggesting that the fact of the rent of the land having been reduced owing to some fall in prices it would have a bearing upon that case?—For instance, supposing I sent a claim to a valuer he would say, "The proof as to whether this farm has "improved or not is in its ability to command a "tenant."

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14,026. The arbitrator who should say that, would not construe the Act rightly?—A great many of them do it that way.

14,027. The value of an improvement appears to me to be totally independent of the fall or rise of rent due to other causes?—That is our contention.

14,028. That is the meaning of the Act already?—That is our contention, but we fail to see the necessity for these words, "the value to any incoming tenant," because if there is not an incoming tenant the landlord has the improvements to pay for.

14,029. Let us suppose the case of a tenant farmer who, with the consent of his landlord, has erected buildings for shelter for cattle, and that at the expiration of his holding he makes a claim. The fact that the rent has been reduced owing to the bad times and fall of prices has no bearing upon the amount of compensation which the tenant in those circumstances is entitled to have?—That is so, and that is our contention, but we find in assessing the tenant's compensation the arbitrators are influenced by the fact that the farm cannot command the rent.

14,030. The point then is to devise some words to make the principle of the Act more clear; it does not import any fresh principle?—I fail to see the necessity of those words, the value to an incoming tenant, because if there is no incoming tenant the landlord has the improvements to pay for.

14,031. Let us argue the point on its merits. Supposing a tenant has put up some buildings very valuable to him for his own purposes, should they be held not to give a permanent value to the holding? Although the buildings which may be erected are valuable to himself and of no value to the incoming tenant, do you say that he should pay for them?—That is precisely what we want to avoid and guard against. The words of the Act are, "of value to the incoming tenant." In the Fylde district, for instance, a few years ago, there was an industry springing up of shire horse breeding. Well, shire horse breeding is not as remunerative as it was, and the tenant may have turned a dairy farm into a horse breeding establishment.

14,032. Is he to recover from the incoming tenant the value of the sheds that he put up for the shire horses?—Under the present Act there is a difficulty owing to the words, "the value to the incoming tenant." The tenant may say, the shire horse business is played out and I am going to revert back to dairy farming. Those improvements are not worth a rap to the incoming tenant. We want to guard against that.

14,033. Do you think that he ought to pay?—I do not think so; but I think that if a tenant appeals to his landlord and says there is a prospect of making his farm do better by reason of erecting boxes for shire horse breeding, and if the landlord consents, it is all right because he gets his landlord's consent. But take the case of the landlord where the tenant thinks that it is from pure prejudice that the landlord will not agree; we propose to call in an official referee who shall hear both sides before the improvement is made, and decide whether it will be an improvement to the holding or not.

14,034. So that in the case you mention, if the external authority should say at that time, that he thinks buildings for shire horses would be of value, yet even if afterwards the breeding of shire horses should turn out to be a failure and could not be carried on, still the tenant on leaving his farm should be entitled to compensation?—I think so. The official referee, having no interest in the matter would be in a position to decide.

14,035. And the incoming tenant has to pay for what really experience has already proved to be a mistake?—Yes, but unless the incoming tenant is willing, of course the landlord has got it to do.

14,036. I only want to know exactly how far you carry it?—I cannot imagine any circumstances under which the Act would not be made stronger by striking out those words, "The value to the incoming tenant." I do not see the slighest necessity for them, I do not see any use for them, but there is a great deal of misunderstanding and a good deal of friction arising from them. Then the next point is with regard to the "inherent capabilities of the soil." That is also another fruitful source of litigation, and I may say that a great many land agents whom I have consulted are of opinion that it might well be left out.

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"Inherent capabilitie of the soil."

14,037. Which clause is that?—The end of the first clause, that it "shall not be taken into account as part of the improvement made by the tenant what is justly due to the inherent capabilities of the soil." We propose the striking out of those words altogether which are practically meaningless and are useless, and they are the source of a great deal of litigation and uncertainty. We do not admit that there is any "inherent capabilities of the soil."

14,038. Put a test case, supposing the case of the erection of buildings for shire horses, and supposing it turned out that the speculation was a profitable one and that the erection of those buildings had been a wise course, in view of the production of that farm, do you think that on the expiration of his tenancy or on a change of tenancy, that the incoming tenant should pay anything more than the actual value of the building?—No, because we consider that the landlord is bound to take an element of responsibility and risk on one side, and we consider that he is fairly entitled to any advantage on the other, provided that the tenant gets compensated.

14,039. Then it means that you do not differ from the principle which is included in those words, namely, that you are not giving compensation, you are not to give more than the value of the building?—That is so.

14,040. Quite irrespective of what effect the building may have had upon the production of the farm?—Because we consider that it is a fair give-and-take policy in a case where it might be proved to be a mistake. The building may be absolutely necessary and desirable in order to enable a tenant to go into a new branch of agriculture, and in five years' time it may prove to be a failure. There are bound to be such cases, and we consider that the landlord is fairly entitled to take the improvement if he agrees to take the loss. The tenant in the meantime has got the benefit of the more remunerative farm by reason of those buildings.

14,041. I do not gather that you differ in principle; all that you say is that it gives rise to discussion and litigation, but in principle you agree with it?—But the buildings are quite apart from the question of the inherent capabilities of the soil.

14,042. Now in the case of drainage; supposing it has turned out that the drainage of the land has added to its rental value far beyond the cost of the drainage itself, in your opinion ought the tenant on leaving his farm to take anything more than the value, the cost of effecting the drainage?—No, we propose to base all improvements on actual cost, on the production of the vouchers.

14,043. Then I do not quite see what objection you have to these words, because you agree to the principle involved in them?—No. Supposing I have improved a farm, the agent on the other side is anxious to prove that some portion of those improvements are not due to good farming but that they are due to the inherent capabilities of the soil; well it frequently happens, we see it regularly, that the ingenuity and the business-like ability of a farmer may enable him so to treat one piece of land as to bring out capabilities which have been lying dormant for many years. But we find that these words being retained in the Act have a tendency to prejudice his action in that case by bringing this argument on behalf of the landlord: "oh, this is due to "the inherent capabilities of the soil, it is not due to "the improvements, the inherent capabilities were "there and you have only brought them out." The words are useless and are frequently misconstrued, and we are unanimously of opinion that they ought to be struck out.

Claims and counter-claims.

14,044. But still you think that the compensation should be limited to the cost of the improvement?—Yes, subject to a reservation which I shall make at the end, and it applies to all these things. Well, now, another most important matter we object to is, that as the law stands now, a tenant has to send in his notice of claim two months before the expiration of his tenancy; the landlord, on the other hand, is not required to send in a counter-claim until 14 days after the expiration of the tenancy. Now we consider that that is grossly unfair, and in almost every case that I have known of—I know in my own case the amoun of the landlord's counterclaim was regulated by the amount of my claim; and to several other cases in which I have been interested the same remark applies. In fact I might say that occasionally I am asked to act for both landlord and tenant, and I do not think it is

any breach of confidence to say that I have been instructed to go over a man's farm to make out a counter-claim having regard first to the claim sent in to the landlord; I think that that is very unfair, and the federation make it one of their strong points.

14,045. What would you propose?—We propose that the landlord and tenant should send in their claims on the same day by registered post, so that there shall be no tampering with or knowledge of each other's claim.

14,046. That they should make their claim on the same day?—Yes.

14,047. I do not quite see how either party is to know exactly on what day the other is going to make his claim?—The day shall be fixed; we propose to fix the same day, a month or 28 days before the expiration of the tenancy. If I, as a tenant, have got a claim to make I must send that by registered post to the registrar of the county court 28 days before the expiration of my tenancy. If the landlord has got a claim against me he must send in his claim for dilapidations; but I may say that that gives the landlord a power under our proposed Act which he does not possess under the present Agricultural Holdings Act.

14,048. The reason for giving time after the tenancy is over is that until the tenancy is determined it is difficult for him to say what the dilapidations are?—Except with regard to buildings I fail to see how it is difficult at all. The landlord knows 6 months or 12 months beforehand, as the case may be, that the tenant is leaving, he has generally got an agent upon the spot, and if an agent is worth anything, he knows, or ought to know, how that land is being treated.

14,049. There might be dilapidations to the buildings during the interval?—I do not think that we should be opposed to giving a short term as regards buildings, but certainly not with regard to land.

14,050. You draw a distinction between the buildings and the land?—We have not done so, as a matter of fact, in our resolution, but we should have no objection to that. We want to do nothing but what is fair to both sides.

The law of distress.

14,051. What further point have you to make?—Then we wish to abolish the law of distress. Cases frequently occur of good tenants finding that they can no longer make their farms pay, and they cannot get a reduction of rent, and they leave, and the agent does not exercise that care which we think he ought to exercise in seeing that he gets a *bonâ fide* tenant who is qualified to stock his farm. This tends to increase the competition for the farms which are vacant, and we consider that it imports quite an unhealthy competition.

14,052. You think that it gives an inducement to a landlord to take as a tenant a man with a small amount of capital?—Yes, a man whom he knows nothing about, but who volunteers to give the same rent or more. I may say in my own experience I have known two or three instances; one case where there were three tenants one after the other. A good tenant was allowed to leave his farm because he could no longer agree to give the rent, and his three successors all went wrong. The first committed suicide, the second came with a bill of sale over what he had, and the third was bankrupt. The second tenant who came went to a wheelwright who was also a tenant on the same estate, and wheelwright told me himself this: "I naturally thought "that our agent in selecting a tenant whom we did "not know, would get a tenant who was qualified to "stock his farm. He got a cart from me which cost "20*l.*, and I know that he got various other things "from various other tradesmen, and as soon as his "position was found out the landlord came and took "everything," and his own tenant—the wheelwright—who was on another farm, had simply to accept a private arrangement, and his landlord's claim was paid in full.

14,053. You do not agree with the law of distress as some protection to the smaller farmers who have got small means?—I do not think so. I speak what I know. I do not think that the bugbear which is raised against the policy of the law of distress would prove in reality to be anything like what it is supposed to be. It simply means that the tenant would be called upon to pay in advance. I do not think that would be the case. It would simply operate in the way of causing the agent, or landlord who had not an agent, to make careful inquiries when he selected a tenant, especially a tenant from an outside district. He would want to satisfy himself that the man was in a position to stock the farm.

14,054. You mean by that "bugbear," that there is a difference of opinion?—The bugbear raised by the landlords when opposing the abolition of the law of distress; the land agents almost always say that simply means that the tenants would have to pay the amount in advance.

14,055. Do you think that the tenant farmers in your district are unanimous upon this subject?—The tenant farmers that I represent are unanimous.

14,056. Have you discussed it at your association?—Yes.

Ground Game Act.

14,057. What further have you to say?—Then there is a point which we have not by strict resolution decided to import into the Agricultural Holdings Act, but it is a point which is causing a great deal of friction in Lancashire, that is with regard to the Ground Game Act. If some penalty for the deliberate way in which landlords ignore the Ground Game Act could be imported into the Agricultural Holdings Act, we feel strongly that it would be of very great assistance to the tenant.

14,058. How do they ignore it?—I may say that I have got here three agreements, and those are not selected ones, because I took them over an area of some 12 miles where I live. I stepped on to one estate which is owned by a county magistrate, I do not know that it is necessary to give any names, but any of the Commissioners could see them. This is an agreement (*producing the same*) signed by both landlord and tenant, and which is in operation now. I may say in passing that this of course has been signed and drawn up since the passing of the Ground Game Act, it is only two or three years old. In it there occurs this clause: the said rent "does not include the taking, "killing, or destruction of ground game; if, therefore, "the tenant or any person authorised by him, mem-"bers of his household, resident on the demised "premises, or any other person *bonâ fide* employed by "him for reward in the taking, killing, or destruction, "of ground game, shall kill, take, or destroy any "ground game on the demised premises, the lessee "shall pay to the reversioner or reversioners, as addi-"tional rent, the sum of three shillings for every rabbit, "and six shillings for every hare taken, killed, or "destroyed, and every such additional rent or sum "shall become due and payable immediately after each "hare or rabbit shall have been killed, and the lessee "shall immediately thereafter report to the reversioner "or reversioners each and every instance of such "taking, killing, or destruction, and, in case the lessee "shall fail, neglect, or refuse to report any case of "such taking, killing, or destruction of ground game, "he shall pay to the reversioner or reversioners the "sum of ten pounds as and for liquidated damages for "every such case that he shall so fail, neglect, or refuse "to report as aforesaid."

14,059. You are aware, I suppose, that that condition is illegal?—Certainly, but every tenant on this estate has signed it, and it has a very prejudicial effect on this particular estate. I have myself seen, within the last week, a state of things which ought not to exist on any estate. The rabbits running about on these farms are simply disgraceful.

14,060. You are aware that there is a clause in the Ground Game Act specially to prevent that?—Certainly.

14,061. The question is, how further could you strengthen the Act of Parliament, so as to prevent a thing of this kind?—It ought to be done. I have not selected those cases. I take them one after the other for 12 miles round, going from Longridge to Darwen, and I can step on the land all the way. Now this is another case, and this is a letter written by a friend of my own; it is dated February 23, 1894, and addressed to a tenant farmer:—"Dear Sir—I have had a letter."—I will not mention names—"from Mr. [ ], the "tenant of the shooting and fishing over the estate of "the late [ ] complaining about your having "been caught carrying a gun"—he has a gun license—"and shooting over a portion of the estate"—that is his own farm; that is to say, his own holding—"this "cannot be allowed, and if repeated he says that he "will prosecute either you or anyone else found doing "so in future. He has also asked for my assistance "and co-operation in putting a stop to it, and I have "given my word that I will assist him in every way

"possible to put a stop to either the tenants or others "trespassing in pursuit of game on any portion of the "estate he has the right of shooting or fishing over, "and he has my full authority to prosecute anyone "(no matter who) found so doing."

14,062. That does not appear to be directed so much against ground game?—Oh, yes it is.

14,063. As against ordinary game?—No. This is a case of an estate of 3,000 acres, the owner of which died last year. I knew the owner intimately, and I know from personal knowledge, because I rented a farm under him once, that he detested rabbits and gave his tenants full authority, no matter what other landlords did, to kill every rabbit they found, and the tenants are simply doing now what they were allowed to do before, but this is stopping them. This man was simply killing rabbits as he has done ever since he went to the farm, and this applies to the killing of rabbits. A third, and a stronger case is the case of a member of Parliament. The largest tenant on his estate in the year 1891 was asked by the other tenants to do something, to approach the landlord, with regard to the state of the rabbits on their farms. This is a very big estate and a very valuable estate. The largest tenant drew up this memorial: it is not a long one, but it will show you that it was written with every wish to be courteous and civil and respectful to the landlord. If I may read it, it read as follows:—"Dear Sir, The memorial of us "the undersigned is as follows.—(1.) That we are "unanimously of opinion that we are undue sufferers "from being over-run with rabbits. (2.) That we have "frequently complained to the keepers and other "persons of this annoyance. (3.) That occasionally an "effort has been made to meet our wishes, but no "systematic course has been adopted, and in conse-"quence little good has been the result. (4.) That we "venture to think that the fact of our rabbits being "caught with the 'long net,'—that is the system of killing 100 at once or 200 as the case may be—"is con-"clusive evidence of two things, viz.: that the rabbits "are not preserved for sport and that they are too "numerous to be shot. (5.) That by virtue of a recent "Act of Parliament rabbits are the property of the "tenant. (6.) That the tenants on the above estates "feel justified in asking for the application of this Act "to be enforced on their respective holdings. In "conclusion, the tenantry approach you with every "feeling of personal respect, and will only be too glad "to see you preserving hares or pheasants." I may say there are very few hares in this particular neighbourhood—"and will join heartily with you in any such "endeavour; but rabbits having so enormously "increased since the death of"—the former owner—that was the father-in-law to the present owner—"it "becomes necessary that an understanding be arrived "at, as our stocks and land are alike suffering from "what we declare to be a pest, and we are unanimously "of opinion that the Ground Game Act being put in "operation is the only real way to give effect to our "wishes and to remove our grievance."

14,064. What was the answer to that?—The answer to that was this, that the tenant who drew up that memorial drew it up on the Monday; he was on the best of terms with both his landlord and his agent, he never had a wrong word with either of them, the memorial was sent round on Tuesday and was signed by 45 tenants out of 55, and on the Wednesday the notice which I have in my hand was sent to him without comment to quit both his holdings.

14,065. (*Mr. Whitehead.*) Can we have the date of that?—The notice is dated the 28th of January 1891.

14,066. (*Mr. Lambert.*) What is the date of the memorial?—It was two days before this.

14,067. Is it dated?—I have only a copy of the memorial, but I have the original notice from the landlord to quit.

14,068. If you had a copy of the memorial you would have it dated, would you not?—No. This was two or three years ago and it was not thought that it would ever be required; but I got it, and I know that this is an accurate copy. I saw it and read it. The memorial was drawn out on the Monday, it was signed on the Tuesday, and the tenant, who was the largest tenant on the estate, and who was on good terms with his landlord and his agent, received this notice on the Wednesday without comment. An attempt was subsequently made to make it appear that there were other reasons for the tenant receiving notice, but it is well known in the district that this was not so. To prove it, I may say that I have the agreement on which the farm was let, which specifies that only six months' notice—this is written across—is necessary. Therefore if it had not been for the action of drawing up this memorial the notice would not have required to have been sent until the 2nd of August; but this notice is sent on the 28th of January, two days after the memorial was drawn up.

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14,069. (*Chairman.*) Then you deduce from that that the fact of this tenant having been the leader of the other tenants in this action against the landlord about ground game led to the notice to quit being given to him?—I know that that was so.

14,070. You say that the tenants in that case petitioned that the Act might be enforced?—Yes.

14,071. I presume you are aware that it does not require the consent of the landlord for the enforcement of the Act?—That is so. We are quite aware of that; but I know from speaking to landlords in the south of England that they regard these things with feelings of great incredulity; they cannot believe that such things are done, but the evidence is here.

14,072. Would it not have been better for the tenants in that case instead of requesting their landlords that the Act might be enforced, to have announced to him that they intended to enforce it themselves?—The result would simply have been this: this is an estate close to a large town on which the farms can be readily let, and the result would be the selection of some half a dozen by the agent; the agent has always some means of finding out who is taking a part in such a thing as this, and who is taking the lead in it. He very soon found out whose writing this memorial was.

14,073. I think you said there are 30 tenants on the estate?—No; the memorial was signed by 45 tenants out of 55 in one day.

14,074. It appears to me to be a case where combination might have been very valuable; if they had combined together to say we intend to avail ourselves of the rights which the law has given to us, and that you must evict the whole or none of us?—There is a reason why that would have been very difficult. This estate is within three or four miles of a town with 120,000 inhabitants, and attached to it every farm by a life-time's work the tenant has got what he calls a milk round, or a milk connexion, which is very valuable; if those tenants were compelled to leave their farms I do not think that the landlord would have much difficulty in replacing them.

14,075. Do you think that if the tenants had combined in common action, and had announced their intention to avail themselves of the privilege which an Act of Parliament had conferred upon them, any landlord in the country could have ventured to evict the whole of them?—On that particular estate about one half of them are very great sufferers from these rabbits, because they are in the direction of the parks and woods; the other half of the tenants are not at all affected, but they have sympathy with the others, and of course they signed the memorial.

14,076. Now what further security do you think could be obtained to prevent action of this kind?—I consider that it is just as dishonourable for a landlord to ask a tenant to sign a thing like that I read to you as it is for a landlord to put his hand into the pocket of the tenant and take out a sovereign. It is an act which I should describe by a very strong term, and I think he ought to be penalised where there is proof. There is no difficulty of proof in this case; I could find abundant proof that it was simply on account of that memorial that that tenant had to go.

14,077. You say the landlord should be penalised?—Yes.

14,078. Somebody, I presume, would have to put the law in force?—Yes.

Compensation for capricious eviction.

14,079. Does that not involve the same difficulty that is involved in the assertion of the right under the law as it now stands, namely, that the tenant who should endeavour to put the penal law into force might be subject himself to the penalty of eviction?—I said just now that these suggestions which we made were subject to a qualifying term, which I should just mention at the end. We say that that would come under the heading of capricious disturbances—there could not be the slightest doubt about a case of that kind. The tenant in that case had raised the tone of the farm altogether; extra buildings had been put up;

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I know as a fact that when the landlord and the agent were asked to put up extra shedding, they looked with surprise at the tenant and said that he would never be able to keep that stock of cattle; but in less than two years he was able to keep that stock of cattle by means of the improvements that he had effected on the farm, and he was able to dispense with some meadow land and turn it into pasture.

14,080. I suppose you will admit that in the case of the tenant having security of tenure in the form of a lease he would not be subject to this action of the landlord, and that he could assert his right to the game with impunity?—Yes; but the tenant farmers we represent do not want leases.

14,081. I know; but is it not an incident of the unwillingness of the tenant to accept leases and to take leases that, having only a yearly tenancy, they are rather more at the mercy of their landlords than they otherwise would be?—That is so; but we propose a safeguard by the suggestion that for capricious disturbance such as this it could only be held to be an additional per-centage that should be allowed; that in addition to the ordinary compensation which the Act gave him a scale of compensation for capricious disturbance should be attached, based on the amount of capital which a farmer had involved in his holding.

14,082. Then, of course, it would require some definition of what capricious disturbance is?—Yes; there comes the official referee again, and the necessity for him.

14,083. I mean is it to be entirely at the discretion of the official referee to determine whether the disturbance has been capricious or not?—We think so.

14,084. Or would you define it under the Act?—Well, we should define it. We have not gone into this because, as I said at the first, we were not quite clear whether it would be better to advocate a clause in the Act with regard to the ground game—and that comes on to the question of capricious disturbance—or a separate Bill, but I think it would be much better myself seeing that there is great difficulty in getting legislation that the whole thing should be incorporated in one Act; and I do not think I should have any difficulty in showing that a tenant who has to leave for such a cause as I have read to you, has to leave owing to the caprice of the agent.

14,085. But it might not always be easy to connect the one thing with the other?—At all events it would be easy to compel the landlord to appear and give a definite reason why the tenant had to leave. I may state that in that case, when the friends of the landowner remonstrated with him, he wrote to the tenant and said it was with a view to taking the farm into his own hands. That showed a disposition to try to get out of the real cause, but as a matter of fact the farm was immediately let, and it is let to-day.

14,086. Does it not come round to this, that that would indirectly lead to the judicial rent?—No; I do not see what it has to do with the rent.

14,087. The landlord might give notice to the tenant to quit; the tenant would then go before this referee to complain of the capricious eviction; the question then would be whether the landlord was willing to allow the tenant to remain on at the reasonable rent?—If the landlord wanted to take the farm into his own hands, that could not be held to be capricious disturbances. He would give a reasonable ground for it, and therefore he would be liable to pay the ordinary compensation, which the Agricultural Holdings Act would give to the tenant.

14,088. I am supposing that instead of giving him notice to quit, the landlord should raise his rent, or ask a higher rent, and that if the tenant did not pay, then he would have to go: I presume that is a question that would go before the referee that you have suggested?—Yes.

14,089. As one which might involve a capricious eviction; then does it not come round to this, that it leads to the referee having to decide what is a reasonable rent?—No, I do not think so; it would come rather to the referee having to decide what is the reasonable compensation for disturbance.

14,090. I do not want to cross-examine you upon the point, I only want to know which is your view?—Our views are that where a tenant can prove that for such a frivolous reason as that notice has been given him to quit, though he has farmed well——

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14,091. I have been putting the case where instead of it being possible to connect immediately the eviction with some act of that kind, the landlord instead of adopting that course were to say: "I intend to raise your rent by 5*s.* an acre," would that be a matter for which the referee should be entitled to say, "That is a capricious eviction," and to give a higher rate of compensation?—I think it would be quite open to the official referee, to receive evidence on both sides.

14,092. I am suggesting now that the only evidence that is producible is the claim for the higher rent?—Yes, but surely the tenant would have his wits about him, and if he had got anything in his possession of the nature that I mentioned just now he would be able to recall the circumstances which would be bound to be within his own knowledge, of any little disagreement that had taken place between the landlord or agent and himself.

14,093. But, as I have said, it might be difficult to connect the one with the other?—I can quite imagine that it might be difficult. On the other hand I have shown you instances where there would be a very clear case.

14,094. I think probably if there were such a law passed as you suggest, the landlord would not be so unwise as to make his eviction immediately after a proceeding of that kind, but that he would bide his time?—Yes.

14,095. And make his claim for a higher rent; I am only now suggesting difficulties in your course as I want to see whether you are proposing what is likely to effect its purpose. I am certain we all sympathise with you in your wish to put an end to such cases as you have referred to, but it may be perhaps open to doubt whether your proposals would have that effect, may it not?—Yes.

14,096. (*Mr. Lambert.*) It would be left to reasonable men to decide whether or not the rent was being raised unnecessarily?—Yes.

14,097. Or upon the tenants' own improvements?—Yes

14,098. And reasonable men would therefore give a reasonable decision upon the matter, and if they thought that a tenant was being evicted for other reasons than bad cultivation, or such things as that, they would award him fair compensation?—Yes.

14,099. And no injustice would be done to the landlord?—We propose a definite scale in addition to the ordinary compensation; that means to say, that if I, as a tenant farmer, had got an award of 500*l.* in my favour, and if I had succeeded in showing that I had been compelled to go for a capricious reason in spite of my good farming, then there should also be a schedule under that heading which would enable the arbitrators to give a more substantial sum. We contend, and I am sure all practical agriculturists will agree with us, that a tenant cannot possibly effect the sale of his stock, or move from one place to another without incurring a very serious loss. If he voluntarily gives notice to leave his farm, that is his own look out; but, if on the other hand, he is compelled for such trifling reasons as we have named, to leave a farm where he is farming well, we consider that such a penalty should be attached to the landlord's action in that matter as would act as a deterrent against his pursuing it.

14,100. (*Chairman.*) And you look therefore in this direction to the means of deterring actions such as those you have adverted to in respect of the ground game?—Yes; in the last case that I mentioned I may say that the thing is practically left to the agent; to a very great extent he has supreme power, and if it had been possible to get substantial damages owing to that frivolous eviction, I think that that agent would have hesitated very much before he had given that notice.

Depression in the Blackburn district.

14,101. Has there been much agricultural depression in your district?—In the immediate district of my local association, that is around Blackburn, I may say that we have not felt the depression so acutely as they have in many other parts of Lancashire; but speaking for a wider district, that covered by the federation, there certainly has been great depression during the last three or four years.

14,102. Not till then?—Not on the dairy farms; on the outside farms many of whose tenants are members of our associations, where they are engaged either in the bringing up of young stock or in grazing pursuits,

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the depression has been going on more or less for 10 years.

14,103. But where there have been dairy farms in the neighbourhood, I presume, of the towns, they have not lost till the last two or three years?—That is so.

Cattle disease.

14,104. Has that loss been owing to the lower price of milk?—No. This is a point that we feel very strongly upon. One great source of the dairy farmers' troubles within the last three or four years has been the action of the medical officers of all the corporations throughout the county in condemning the carcases of really prime fed cattle which after slaughter have shown indications of suffering from tuberculosis. This was a thing which very rarely occurred up to within three or four years ago; but it seems to have been more largely discussed by medical men, and corporations have been acting in a very high-handed manner during the last three or four years.

14,105. That is to say, they have condemned cattle (on the supposition that the cattle had been suffering from tuberculosis) as unfit for food, I suppose?—Yes; but of course it is not a supposition, because they condemn the cattle after slaughter, and they can tell from the condition of the lungs distinctly that the cattle have been suffering, although prior to slaughter there is no judge in England can tell.

14,106. Then do you think they were right or wrong in condemning them?—If they are right it is in the interest of the public that they are right. But I say, and the federation say most strongly, that if it is for the protection of the public that our animals are confiscated to such an alarming extent, the public ought to bear the cost and the disease ought to be scheduled under the Contagious Diseases (Animals) Act. I may say truthfully that we are never a single week without suffering the loss of good animals in some of the towns covered by our federation. I would respectfully venture to draw the serious attention of this Commission to that, because we have got statistics which we could not have otherwise got, owing to the prevalence some three years ago of pleuro-pneumonia in our district, from which we are able to say with certainty, not selecting any particular district, but taking the county as a county, that, taking young stock, full grown stock, and all kinds of stock together, whether, dairy, grazing, or other sorts, we have grounds for saying that one out of every five of the animals in Lancashire is suffering from this disease. If those animals suffer in the slightest degree the medical officer thinks that makes them unfit for food, and that means an absolute confiscation of 20 per cent. of the entire value of cattle in Lancashire. We feel this very much, and it is one of the greatest causes of depression in Lancashire, more particularly in the dairying districts.

14,107. Do you think that they have drawn the line too tight, and that many of these cattle which they condemn are not unfit for food?—We say, and we say it with some degree of confidence, that if an animal has fed herself or himself so well as to render a disease beyond the power of detection of the local authorities when it is alive, it ought not to be condemned when dead. I may say that, in order to get this evidence on oath, two years ago we had a case in Blackburn where a cow was sold by a very honourable and straightforward farmer to a very straightforward and honourable butcher, and it was sold for a larger sum than any other cow killed in Blackburn fetched that week, and Blackburn is a town of 130,000 or 140,000 inhabitants, and a large number of cattle are slaughtered there. That cow was sold in the light of day to a practical man by a practical man for more money than any other cow that was carried into Blackburn that week. The veterinary surgeon accidently saw it; the meat inspector actually saw it when it was alive; and it was admittedly one of the best cows that we had had in Blackburn for some time; the cow was killed, the inspector's attention was drawn to it, and in the lungs the traces of tuberculosis were quite clear. The farmer at once admitted his responsibity although he had no need to do so, but being an honourable man he took the whole blame upon himself, if there was any; he said, "I sold the animal for a certain price to the "butcher, and after doing so my responsibility "ceased; but having fed that animal and having "grazed it all the summer I feel a moral liability "if there is anything wrong with it, and that "I ought to be the sufferer and not the butcher." Therefore he assumed the responsibility. In that case the farmer was summoned before the magistrates in Blackburn. I may say in passing that one of our great misfortunes in such cases is that we have no agricultural magistrates acting for the borough, the magistrates who are interested in agriculture or who understand agriculture are invariably county magistrates, and we suffer very seriously for the want of that knowledge which a county magistrate generally possesses, but which a borough magistrate knows nothing whatever about. The farmer was summoned; my association took this matter up, and we called in the best medical evidence we could get—we called in Dr. Dresfield, of Manchester, who is the head pathologist there. He at once said: "Gentlemen, "this is a very hard case, but the law is clear, it gives "absolute power to the medical officer to say whether "or not such cases are fit for food; the medical "officer has condemned it, and, therefore, you have "not a leg to stand upon." The local butchers joined us in fighting this matter; it cost us something like 60*l.*, and it cost the corporation about 100*l.* When we found out that we had no case we asked the permission of the magistrates to call the veterinary surgeon, and this is the evidence that he gave; that under the pleuro-pneumonia regulations a number of animals were affected on the outskirts of Blackburn, and that it was necessary to slaughter no less than 451 animals which were taken in one district just because the animals had been in contact over the hedge and taken right away without any selection at all; there were all kinds of stock; 451 animals were slaughtered, and it was his duty on behalf of the Government to report on the state of health of those animals, and out of the 451, 85 showed unmistakeable signs of tuberculosis, that is one out of every five. We have every reason to believe that that is a correct statement of the state of our herds in Lancashire, and not only in Lancashire, but it is very keenly felt in London, in the neighbourhood of London, in Scotland and in Ireland, I may say that our federation was the prime mover and the prime causer of the National Conference in St. James's Hall. Our federation having persuaded the business committee of the Central Chamber with which we are connected, to see the desirability of calling this conference it might be asked why if the Agricultural Holdings Act is of such primary importance we did not speak on that point. This Commission might ask me how it was we did not take up the matter of land tenure and speak about it through any of our representatives at the Conference, but devoted our attention to another subject. Although we thought and felt that the Agricultural Holdings Act was the first item on the programme, and that we ought to try to remedy it; yet we felt sure that other neighbourhoods would be taking up that question, and as this tuberculosis was a matter pressing so very severely upon us in Lancashire and we were not quite sure how far it affected other parts, we decided to confine ourselves to that question at the conference in St. James's Hall.

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14,108. Please state what you think ought to be done?—We say that what ought to be done is that compensation ought to be paid for these animals condemned in the interests of the public, and that the disease ought to be scheduled under the Contagious Diseases (Animals) Act.

14,109. That is the point of your contention, that when these animals are condemned by the inspectors at the markets in these towns, compensation should be given to the farmer?—Yes.

14,110. Do you also think that where animals on a farm are suffering from tuberculosis they should be slaughtered and that compensation should be given?—Yes. I think, and in fact I am sure, that the farmer is the first man to have his attention drawn to this. If there is an animal suffering the farmer is the first man who will find out that there is something wrong with it. We think that the same regulations ought to be adopted in this case as are adopted with regard to pleuro-pneumonia, namely, that the farmer ought to announce the existence of the disease to the authorities, and that the animal ought to be taken, and that the farmer ought to be paid for it.

14,111. Then you think that this difficulty about the condemnation of animals suffering from tuberculosis has been the cause of considerable loss to the farmers in your district?—Yes. I may say that there have been instances this week, last week—in fact I cannot say that there has been a single week in which in

some of the towns embraced in our federation some of our farmers have not been called upon to have a good animal confiscated.

14,112. (*Mr. Everett.*) Do I understand you to say that in most of the cases the farmer himself was quite unaware that his animal suffered from anything at all?—That is so. I may say further that when we put the veterinary surgeon on oath in the case that I have just spoken of in Blackburn—it was spoken about all over the country at the time—the veterinary surgeon on his oath said that neither he nor anyone else could detect any signs of disease in this animal when it was living, but the result was this: that the farmer not only lost his cow but—I forgot to name this—although he is one of the most respectable men in the district, he had the indignity of being fined 2*l.* and costs. We appealed to the chairman of the magistrates under the circumstances to give an expression of opinion which we could put before the Government to show that we were very unfairly treated. The chairman who of course had no sympathy whatever with farmers and knew nothing about farming simply replied in these words, which I think I remember: "There has been a "clear breach of the law. With regard to anything "else we have nothing whatever to do. If it occurs "again you will be more severely dealt with." That was all the sympathy we got.

14,113. (*Chariman.*) As I understood, your losses in these cases largely account for the difficulties of the farmers in the neighbourhood of the towns?—Yes; a man never knows when he is safe.

Price of milk.

14,114. Has there been a reduction in the price of milk?—There has not been an absolute reduction, but there has been increased competition, and I think the result has been that a great many more bad debts are made.

Letting of farms.

14,115. When farms are vacant in that district, are they easily let?—Generally speaking, I think I ought to say they are; there is not a great deal of difficulty, because they are close to large tows.

14,116. There are other people ready to come in?—Yes.

Reduction of rent.

14,117. Have the rents been much reduced?—I do not know, except in the case of the Fylde estate. I have reason to know, after going through the books, of a very prominent land agent there, who very kindly showed me what had been done on his estates, that there have been several reductions there during the last 10 or 12 years; but in the other districts I cannot say that there have been more than isolated cases of reduction. There have been a good many cases, I may say, of temporary abatements.

14,118. Temporary abatements, but not permanent reductions?—That is so.

Marking of foreign meat.

14,119. Then, I presume, you are ready to speak upon the subject of compulsory labelling of meat?—Yes.

14,120. And upon the subject of margarine?—Yes.

14,121. I do not think we need go into those matters, as they have been dealt with by other witnesses. I believe you are also prepared to speak on the subject of taxation of land?—Yes. I would say, in passing, that our federation have a strong feeling with regard to the labelling of foreign meat. We framed a Bill, or assisted in the framing of a Bill, which was taken charge of by Mr. Yerburgh. I think Mr. Yerburgh proposed a Bill some years ago, and we thought that, possibly, he was the best man to take this matter up for us. We did not approve of his Bill at all, and we suggested a good many improvements, and I think our suggestions have been mainly embodied in the Report of the Select Committee, except in one direction, that we strongly advocate the imposition of a very small licence on these people who are engaged in the trade—such a small amount that it could not possibly be supposed for a moment that there was anything in the nature of protection, but that it should be, say, half-a-sovereign per year, in order to enable the Excise Authorities to trace the men who are actually engaged in the business.

Fall in prices.

14,122. (*Mr. Everett.*) You say in the minutes of your evidence that you attribute the agricultural depression to foreign competition; might I ask you what you mean by that?—I am speaking of agriculture as a whole, and of course I am alluding mainly to the importation of cattle, the importation of beef and mutton and other fat stuff; we feel that in our district.

14,123. That is you have suffered from a fall in prices, which fall you attribute to foreign competition?—Undoubtedly.

The three F's.

14,124. (*Captain Owen Thomas.*) You said in your evidence in chief that the three F's have been frequently discussed in your association; were there many members for or against?—Mr. Barlow and I have been discussing that this morning. I do not think out of the 700 members we have that we have 20 in the whole of the association, we have not more certainly, who are favourable to the three F's policy. But I may say on the other hand that I know, and we all know that there are very large minorities in the federation that Mr. Smith represents who are strongly in favour of an improved Agricultural Holdings Act.

Scale of compensation for manures.

14,125. I think you also said that you believe a fixed scale for manures would satisfy all farmers?—Yes.

14,126. Are you not aware that manures last much longer in some parts of the country than in others?—Yes; we have considered that subject, and it is practically on all fours with the question that was put to me about the depreciation of certain kinds of buildings. On he uselessness of certain kinds of buildings as against the importance and the necessity of such buildings we say there the landlord ought to reap the benefit of any great advantage to the holding without giving extra compensation because he would have to take the risk of a loss; the same with regard to this question. I know that in some cases, lime, for instance, will last 20 years; I know that in other cases it will not last more than five years; but we take a wide view of the matter and put all our knowledge together, and we think that it is quite possible to put such a limit as shall be fairly reasonable all round.

Reductions in rent.

14,127. About the reduction in rent, you say it is not general in your neighbourhood nor in the district?—It is not.

14,128. May I ask what you would consider a fair reduction which really would satisfy the tenant if made by the landlord in your part of the country?—I think it is admitted on all hands, some of the more reasonable agents in our district are prepared to admit it, that the productive powers of the land have depreciated something like 25 to 30 per cent. We consider it would be fair if we got a reduction of 20 to 30 per cent. according to the circumstances. We wish to draw attention to this:—A man may get 30 per cent. reduction in one case and he may be no better treated than another who only gets 5 per cent. reduction, because the circumstances vary so greatly. Some lands are highly rented and some are reasonably rented, so that it is impossible to say that you can fix a hard and fast line on a given number of estates and say that they were entitled to 30 per cent. reduction all round; one man may be better entitled to 40 per cent. reduction than another who may be entitled to 10 per cent.

Impoverishment of soil.

14,129. You say the land has depreciated 25 per cent. in production; what do you mean by that; do you mean that prices have fallen?—No. I mean the land itself owing to the gradual process of impoverishment which has been going on. The tenants have not been able to do, perhaps, what they would like to do, and we have had a lot of bad seasons. Altogether, I do not think that the land produces as much as it did some time ago.

Low prices.

14,130. What would you say is the average reduction in the prices of farm produce at the present time?—It depends upon the period you take.

14,131. Say during the last five years?—Say the last 10 or 12 years; it amounts to something like 30 or 40 per cent. in the price of several articles, such as beef and mutton, but more particularly beef.

Rent and prices.

14,132. Do you think the rent ought to be reduced in proportion to the reduction in prices?—I think that it is a matter of supply and demand. When times are bad, of course farms become vacant, except in such cases as I am speaking of close to a town where the milk is the great support of the farm, but outside, in grazing districts, farmers cannot pay the rents they formerly paid, and if a farmer leaves his farm, of course, it is for another man to go, and he looks at the farm, and if he thinks he can give a certain price he offers it, and if he does not he leaves it.

14,133. You say they are paying nearly all round in your neighbourhood?—When I was saying that I meant close to the towns.

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14,134. Close to the towns?—Yes; further away in the grazing districts there is considerable difficulty in getting tenants at the same rent.

14,135. I think it is generally admitted that the rent is one-third of the liability of a farm; I mean to say that a farmer has to make his rent three times to clear a living, do you agree to that—is that your opinion?—I know that in the majority of cases the farmer is not making it once, let alone three times.

14,136. I mean not net; I mean the gross receipts?—That is the assumption, but I think it is rather high.

14,137. If prices have fallen say 30 per cent., how do you propose to reduce the two-thirds, if the rent is only one-third of the expenses on a farm?—In our case we say that the rents generally speaking are 25 per cent. too high.

14,138. Yes, that is one-third of the liability of a farm?—25 per cent. is a fourth.

14,139. I mean that of the amount a farmer must make up on a farm the rent is one-third?—Yes, I see what you mean. Then as we represent, as I said at first, more particularly a dairying district, we say distinctly that this question of tuberculosis is a matter which has come to the front during the last three or four years, and that means an absolute loss to us of from 10 to 20 per cent.

14,140. (*Mr. Lambert.*) Is there a great deal of land mortgaged in your district?—Yes.

Mortgages.

14,141. Then the owners have not the unrestricted liberty of doing as they please with it?—I believe that is so.

14,142. Presuming that such land were freed from these mortgages, would it conduce to improvements being more generally carried out?—Yes, I quite think so; in fact, I am sure that it would.

14,143. Do you think many owners, although they have the will to do it, have not the power?—I know some; I know others who have the means and will not do it.

Law of primogeniture.

14,144. Would you be in favour of the abolition of the law of primogeniture?—I may say that is a matter that does not arise in our district.

Mortgages.

14,145. Would you be in favour of the compulsory registration of mortgages, or have you not considered that question?—We have not; but I quite admit that some such scheme would be necessary in the case I have mentioned of having power to execute a prior mortgage to the Government for the drainage of land where the landlord was unable to do it; it would be absolutely necessary that a proposed mortgagee should be made aware of it.

Rent.

14,146. I think you say that the land is rented 25 per cent. too high in your district?—Not all round; there are some cases where the land is let fairly reasonably; there are other cases where it is let very unreasonably high.

14,147. Why is it let unreasonably high?—Because in some cases the depression has affected them more acutely than the others. For instance, take the outside farms where they have got to buy their grazing cattle in the spring, feed them all in the summer, and sell them off in the autumn; it is an absolute impossibility for those farms to produce anything like what they should produce.

14,148. Why are they paying such an unnecessarily high rent?—There is a gradual change of system going on in Lancashire; on one estate last year 40 notices were given.

14,149. From the landlord?—From the tenants to the landlord.

14,150. Would these men probably stay on if they had a fair reduction of rent?—Yes. I may say that in that case the agent took a very proper course, he went and saw every tenant, and I believe in every case gave in.

14,151. (*Chairman.*) That seems to show the advantage of combination?—Yes; they all went together. I may say that that particular agent told me himself that farmers' combinations were all very well, but he would never listen to anything that came from an organisation of tenant farmers, nor would he receive any deputation from one. His words to me were "I am prepared to deal with any tenant of mine singly;" and they gave him an opportunity. They went to him collectively, but he came to them and dealt with them singly.

14,152. (*Mr. Lambert.*) So that the tenants had to go to the extreme course of giving a notice to quit their farms in order to get a reduction of rent?—Yes, that is so, and it is frequently done.

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14,153. Of course in that case they often have to go out of their farms?—There are scores of cases occurring of that kind.

14,154. And they have to go to the expense of changing?—Yes.

14,155. How much would you estimate the cost upon a man's capital of changing into another farm?—20 per cent.

Judicial rents.

14,156. When there are such cases as this happening why are you opposed to an outside interference in the fixing of rents?—In the first place I, as a practical farmer, send my milk and butter into the market, and I fail to see, however much I may feel aggrieved at the particular action of my landlord, why I may go to him and say, "You shall be compelled to take a certain rent," when I go to the market the following day and I have got some cows to sell, or some bullocks to sell, or something else to sell, and I take the market price, and if I cannot get it I keep them. The landlord ought to be able to do the same with his land.

14,157. Then he has the right to do as he likes with his own?—Well, so long as he does not hurt anybody else. I fail to see that I ought to be a party to depriving the landlord of that liberty which I myself as a tenant farmer demand.

14,158. Now I want clearly to understand this point. Do you advocate the landlord doing exactly as he pleases with his own farm?—Provided he pays for any damage that he inflicts upon anybody else in doing so I certainly do.

14,159. How could you estimate the damage that he inflicts upon a tenant by charging 25 per cent. too much rent?—Simply because I should say that that is an attempt to capriciously cause the tenant to leave, and that is where my point comes in with regard to the 20 per cent.; in addition to the ordinary compensation which the Agricultural Holdings Act would give him I should give him 20 per cent. for frivolous eviction.

14,160. And would you place under that category of frivolous eviction a refusal to lower the rent to a reasonable amount?—No, I should not say that; I do not think that is a frivolous eviction.

14,161. You would not put charging an unnecessarily high rent under the category of vexatious disturbance?—I do not think I should do that, because I should leave it entirely to the official referee to look at the circumstances, to take into account the rent that was being paid by the neighbours for a similar class of land: to weigh how the farmer had farmed his land, and (of course after hearing both what the landlord had got to say and what the tenant had got to say), I think that a practical man would be able to decide whether it was a capricious disturbance or whether it was not.

14,162. Then you would in some instances place limitations upon the power of the landlord doing as he liked with his farm?—Certainly; provided he was doing an injury.

14,163. Would not charging an unnecessarily high rent be an injury?—If it was clearly proved that the landlord had some reason for which he wanted to part with the tenant—and it might be a case such as I have referred to—and in order to get at it he said that he would raise the rent. There would be a means found to prove that. I think I should not have any difficulty in proving that in any of those cases; if the rent had been simply advanced or offered to be advanced I should have no difficulty in tracing the effect to the cause.

14,164. But supposing a tenant was paying 25 per cent. more rent than the land was worth, and that he asked for a reduction, and the landlord refused to give it, would you give the tenant any compensation for being obliged to quit his holding?—We have not contemplated that at all; we do not propose to regard that as a case in point.

14,165. Does not stocking a man's farm with ground game by the landlord come to the same thing; does it not injure the tenant's rent producing facilities?—Yes.

14,166. Therefore are not the placing of too high a rent and the existence of too much ground game in the same category?—We regard it in this light; a tenancy is a free contract; a landlord has a certain quantity of land to let; a tenant requires a certain quantity of land; a free contract is made, and if the tenant improves his farm he has a ready means of getting paid for those improvements. The greater the improvements the more he will get paid. We say that that will be a deterrent against the landlord trying either to raise the man's rent or to part with him in any shape or form, because he will know at once that he will be met by a very large claim.

14,167. That is not the point of my question. My point is this: you allow, in the case of disturbing a tenant through exercising his right under the Ground Game Bill, compensation for vexatious disturbance; now for charging a tenant too much rent for a farm, would you not place that in the same category; if not, I want to know what is the difference between them?—The difference is this, because a tenant has made one part of the bargain, he knows that he has agreed to give a certain amount of rent and he has done it with his eyes open.

14,168. Take the case where agricultural produce has depreciated as it has now within the last 10 years?—Very well, then the tenant finds that he is no longer able to make the profit from the land that he contemplated when he took it, and he has the power of going to the landlord and saying: "I can no longer make "a profit from this land, and I am either going to "have it at a less rent or I leave. If I leave I shall "bring in such a claim as I feel I can substantiate."

14,169. Then if the landlord is charging the tenant too much rent the tenant has the opportunity of leaving?—Just exactly the same as if, when I am trying to sell a cow, I try to charge a purchaser too much for it; he has the option of going away and buying another.

14,170. Would that not apply the same in reference to ground game?—No, I think it is on another basis altogether; it is practically an attempt to take that which is absolutely the property of the tenant.

14,171. Would not paying too much rent be in the same category as taking that which absolutely belongs to the tenant?—I think not. I can see a great difference.

Restrictions on cultivation and on sale of produce.

14,172. I will not pursue that matter further, but it seems to me to be very much the same. You advocate less restrictive conditions of cultivation?—Yes.

14,173. How will you obtain them?—By simply striking out a number of those very extraordinary restrictions which, I think, prevent a tenant from farming with a view to really improving the land and improving his own circumstances without damaging the farm.

14,174. There you are again going to curtail the rights of the landlord?—Yes; provided the tenant does not do anything calculated to impoverish the land we say there are a lot of obnoxious restrictions which ought to be removed.

14,175. Who is to decide whether the tenant is doing anything detrimental to the land?—We propose that the landlord's claim for dilapidations shall be equally clear and explicit as a tenant's claim for improvements.

14,176. But supposing that during a tenancy the tenant wants those restrictions removed, he having entered into that agreement as you say with his eyes open, why should you want to take away the landlord's power?—I understand I am supposed to be giving evidence now with regard to the depression in agriculture and the means of improving it, and I say that if you remove some of those unreasonable restrictions which tenants are labouring under on all estates more or less in our district, you will be putting into the hands of the tenants a power to make money where they cannot make it now. I will give you a case in point. During the last year it was within the knowledge of every farmer—it was well known everywhere, that hay was going to be a serious item, and that hay was going to be at a very much improved value. My knowledge of the district is such that I can speak with confidence, although I have not looked at those documents that you have before you, that they will prevent the tenant from selling hay without the landlord's written consent. I may tell you that on one estate represented by those agreements this thing was carried to an absurdity. One farmer who had manured his meadows every year and kept a full stock, had so cultivated his meadow land that he had a surplus of hay. His next door neighbour—the next farmer on the same estate—ran short of hay. The large tenant and the small tenant met casually together and agreed for the sale of one load of hay, and it was taken to a village half a mile away to weigh. This was reported to the agent and before the hay was returned to the farm the agent had visited the farm, and had told the tenant that if this thing occurred again he would have to go, because he knew very well that he had not the power to sell hay.

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14,177. What authority would you allow to step in to prevent a tenant from impoverishing the farm?—I think that a very reasonable thing would be for the landlord to insist that where a tenant carted away hay in such a case as this off his holding he should bring back a corresponding portion of manure. This the tenants in my neighbourhood would be very willing and glad to do, but the landlords in those agreements, although I have not read them in every case, will not allow it.

14,178. That is quite true, but my point is this: during a tenancy a tenant sells off hay and straw and otherwise impoverishes the farm; what authority are you going to allow a landlord to appeal to to prevent that?—I should not allow him to appeal to any authority except this, that the tenant ought, and he can do it without any appeal to anybody, to give satisfactory evidence that he is going to bring back, or that he has brought back, an amount of manure corresponding to the manurial value of the produce that he is taking off. The tenant ought then to be master of the situation, and ought to be able to sell off what he likes.

14,179. But supposing he is impoverishing the farm?—He cannot be impoverishing the farm. How is it possible to impoverish the farm if I take a given quantity of hay, and I bring back a given quantity of manure which corresponds to the manure taken off the farm by reason of the hay being sold? How am I impoverishing my farm?

14,180. But supposing he does not bring back the manure?—I say he must bring back the manure.

14,181. But who is to be the judge as to whether he brings back the manure?—He has got the vouchers and produces them at the rent audit.

14,182. Supposing he does not produce the vouchers?—Then it is a debt which can be recovered the same as the rent.

14,183. Would you allow a landlord to step in during a tenancy, and say to the tenant, "You must pay me so "much more rent because you are impoverishing the "farm"?—No; he would have to prove that the tenant was impoverishing the farm.

14,184. I want to get at how the landlord would prove it?—He would prove it by this official referee that we propose the county council should appoint.

14,185. Now we are getting at it; that is my point. I want to know what authority you would allow to step in between the landlord and the tenant in this case to decide between them?—It is exactly like a case under the Agricultural Holdings Act.

14,186. Would you allow the official referee to decide as to whether restrictions were obvious and deterimental or not?—Yes.

14,187. Therefore you would in that instance, too, curtail the power of the landlord?—Yes, because he was trying to take away from the tenant his power of cultivating the soil.

14,188. Would that create a bad feeling between landlord and tenant?—I fail to see that it would, because there are many districts in Lancashire which I do not represent, where tenants have free powers of sale; there is no bad feeling there.

14,189. Then if that would create no bad feeling, why would the fixing of the rent by an outside tribunal create bad feeling?—I have not said that it would create bad feeling. I say that it is a costly, cumbrous process, which is unnecessary.

Land courts.

14,190. I thought you said that it would alienate the sympathy of a good landlord?—Undoubtedly, it would.

14,191. Do you think a good landlord would be brought into a land court?—I know frequent cases where good landlords, most estimable men themselves, have got very bad agents, and they are very loth to

interfere with the management of those agents. I know other cases where bad landlords have good agents, so that you cannot draw a hard and fast line.

14,192. Of course, that is not my point. You can only take the agent as an employé of the landlord, and you must take the landlord as represented by his agent. Do you think that a good landlord, charging a reasonable rent, would be taken by any tenant into a land court to have the rent fixed?—Very few landlords live on their property, they nearly all reside away, and the estate is left entirely to the management of the agent; and one strong grievance I have against agents is that they are not always practical men.

Fixing of rent.

14,193. Who fixes the rent of the farms?—The rent is already fixed; the tenant is already in possession, and pays a certain rent. If the tenant leaves, then somebody else applies; "What is the rent?" The rent is what the old tenant has paid. "Very well, I will not give it." If the landlord gets it, he gets it; if he does not, he has to take what he can get.

Land agents.

14,194. Then the tenant has to do with agents who are not practical men?—Yes, frequently; that accounts, to a great extent, for a good many south country landowners failing to grasp the difficulties that we have to contend with in Lancashire. One of those difficulties arises from the agent simply being a rent collector of house property. The landlords in many cases have become more or less impoverished. They have not been able to keep up the same efficiency of management, the same agency that they used to have when times were better, and there is a strong disposition to say, "I will do without a permanent agent, I will put "it into the hands of this man," who is simply a collector of cottage rents and a house agent in the town.

Absentee landlords.

14,195. So the landlord develops into merely a rent charger?—Where he lives absent from his locality, that is so.

14,196. Are there many instances of his living absent from his locality?—A great many.

14,197. With reference to the case you mentioned about the ground game, did the tenant have to leave the farm according to the notice?—Yes.

Capricious evictions.

14,198. Did he make many improvements on the farm?—When he went to that farm, as I said, he was in a large way as a dairy farmer, and required additional accommodation for some 30 beasts; both landlord and agent expressed their surprise that he should make such a demand, because they thought the place would not keep them; when he received the notice the place was keeping them, and he was also able to turn some meadow land into pasture. That shows on the face of it that he did improve it.

14,199. That the tenant did improve the farm?—Yes.

14,200. (*Mr. Everett.*) What do you mean by changing meadow land into pasture?—When this tenancy began the tenant knew that he would require more meadow land, that is to say, more mowing grass, hay grass—that is what we call meadows. I know there is frequently a difference of terms; we call meadows that land which we mow; the other land we call pasture land. In this case he knew that he would require more meadow land, more mowing land, and he got them to agree to it, and when he had been there two years he had so much improved the land that he was enabled to turn it back to pasture.

14,201. (*Mr. Lambert.*) You seem to know a good deal about the case; how much do you calculate that those improvements were worth?—The bulk of those improvements are improvements which are not as well provided for in the Agricultural Holdings Act as we think they ought to be.

14,202. How much do you think they are worth. I want your opinion on the subject?—I should think 200*l.* would be a very reasonable estimate.

14,203. How much did the tenant recover under the Agricultural Holdings Act?—Such cases never occur. The tenant simply went away.

14,204. So he practically lost 200*l.* through the landlord using his right of capriciously evicting him?—Yes.

14,205. And he has had also the expense of changing farms?—Yes.

Notice to quit.

14,206. Do you think that the six months' notice is a reasonable notice for a landlord to give his tenant?—I myself prefer the 12 months' notice. I think six months is scarcely reasonable.

14,207. You would make it compulsory?—I think it would be decidedly better. I am very glad that you have raised that point, because there is something of equal importance hanging on it. In Lancashire we have varying terms of entry and it is the cause of a great deal of evil. The general rule in our neighbourhood is that a tenancy commences with regard to the land on the 2nd February and with regard to the buildings on the 12th May. On some estates an agitation was got up some years ago, and a few agents agreed that on their estates they would make the 2nd of February operative in all cases both with regard to land and with regard to buildings. This is acting most unfairly, and in this way: supposing there are two tenants living next door neighbours to each other but under different landlords, one may have to give up land and buildings on the 2nd of February and the other may not give up his buildings and house till the 12th of May. Now, supposing the man who has to quit on the 2nd of February, wants to take a farm on another estate, he has to clear out of his own farm on the 2nd of February, but he has nowhere to go to till the 12th of May. That is a great evil and although there must be a difference with regard to purely grass land, which ours is, as apart from mixed farms and arable land—they would probably want to make a different arrangement—yet in grass farms it would be very much better if all tenancies commenced both with regard to land and with regard to buildings at the same date, say the 2nd of February.

14,208. In this agreement that you have produced the Agricultural Holdings Act is expressly evaded by giving a six months' notice, is it not?—That is so.

14,209. You think that in instances great injustice may be done to the tenant when the Act is so evaded?—Yes.

14,210. So you would make it compulsory on the landlord to give 12 months' notice?—Yes.

14,211. And that the Act should not be so evaded?—That is so.

14,212. Are such stringent restrictive leases as these general in your district?—Those are fairly average agreements drawn without any care on my part simply taken haphazard from the entire district, and they are fairly representative of the conditions which obtain in the whole district of East Lancashire.

Marking of foreign meat

14,213. How would you propose to distinguish foreign from British meat?—We have considered that matter. I should propose that all butchers dealing in foreign meat should pay the very small licence of 10*s.*

14,214. That is not my point. My point is: how will you differentiate between British and foreign meat. Supposing two joints of meat were put on the table, or you saw two joints of meat in a shop, one was foreign, and the other was British, how would you distinguish between the two?—I do not say that I could do in all cases, but in many cases I could on account of the difference in the fibre, just as I can tell the difference between cows' beef and bulls' beef.

14,215. If you could not do it in every instance would it be a sufficiently reliable test?—No, I do not think it would, and that is why we strongly advocate the point of all people who deal in it paying a small license: I do not care if it is only half-a-crown.

14,216. How are you to prove that they do deal in it?—How do you prove that a grocer is dealing in snuff and tobacco, and things of that kind?

14,217. I beg your pardon, I will not go into that; I want to ask you the question?—We put it precisely in the same way, that a grocer is dealing in these articles for which he has to pay a license.

14,218. How are you going to prove that a man is dealing in foreign meat when there is no test which distinguishes foreign from British meat?—There is this test: that you can go to the *abattoir*, you can go to Birkenhead, or you can go to Manchester, or wherever it is, and you can demand to see the books of the wholesale dealers, provided you pass an enactment to that effect; it is our contention that by that means the Excise Officer will be able to trace who are the customers, and if he is able to trace them he goes to Birkenhead; he finds that John Jones is dealing in this meat; John Jones' address is there; he goes to it, and he finds that he is dealing in foreign meat, and yet he is not announcing the fact.

14,219. Then, presuming that he does announce the fact, there are no means to prove that he could not sell

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foreign meat as British meat, the same as he ever did?—There is this fact, that, except in certain classes of foreign meat, it is decidedly inferior to the British meat.

14,220. That is not my point; my point is this: there is nothing to distinguish foreign meat from British meat, and if the man took out a license or was registered to deal in foreign meat he would have exactly the same power as now to sell foreign for British meat?—Unless it was made a penal offence, and that is what we propose.

14,221. How are you going to prove it?—As I say, from the books of the wholesale dealer. All meat comes from certain centres. We know in Blackburn, Preston, and various other towns where this meat comes from—it all comes from Birkenhead.

14,222. My point is this: you go into a shop, and the butcher presumably sells you British meat, and it is foreign meat, how can you prove the foreign meat to be British meat or the British meat to be foreign?—I cannot in all cases, nor can anyone else, except it has come over dead; if it has come over dead I should have no difficulty in proving it at all. I can take you through London and find you lots of it.

14,223. I perfectly well know that; but I am introducing a Bill on the subject, and I want to get at the best information?—You cannot possibly get at it, and you may as well give it up as try to get at it, unless you start at the fountain head, and go to the wholesale markets, and give an official the right to examine those books and trace the customers.

14,224. Very good; but then when you have traced the customer the man has exactly the same power of selling British meat as foreign and foreign meat as British as he had before?—Yes.

14,225. Because you have no test to distinguish between the two?—He is bound to announce the fact that he is selling it.

14,226. Supposing all butchers do announce the fact?—All butchers do not; that is the evil.

14,227. I had a conversation with a London butcher and he immediately said they would be bound to announce it because they all sell foreign meat, therefore, presuming that all butchers did announce the fact that they were dealers in foreign meat—which they are—how would you distinguish between British and foreign meat when it is sold by the butcher to the consumer?—In the first place I do not believe for a moment that all butchers deal in foreign meat, except you are referring to sweetbreads.

14,228. Of course that is foreign meat?—That is a point that we have considered and we have come to the conclusion that you cannot include sweetbreads, you cannot call that foreign meat.

14,229. There of course you go into exceptions?—I think that is the only exception. Might I be allowed to say what the butchers themselves say from the mouth of their own president, and the president is a member of Parliament. He expressly states that he is agreeable to this Act being passed.

Tuberculosis.

14,230. (*Mr. Whitehead.*) I only want to ask you one question about tuberculosis; you say that 20 per cent. of your cattle in Lancashire are affected with tuberculosis?—Yes.

14,231. Or were affected at a certain time; and I think you said you got it from statistics of animals slaughtered for pleuro-pneumonia?—Yes.

14,232. How is it possible to distinguish the tuberculosis affection from the pleuro-pneumonia affection; would not the symptoms be very similar?—There are no symptoms at all of tuberculosis in its preliminary stages.

14,233. But there are when the animal is slaughtered?—That is what the veterinary surgeon said.

14,234. Did the veterinary surgeons distictly say that they were affected with tuberculosis?—That 85 of them were distinctly affected with tuberculosis, and it was given on oath.

14,235. Independently of pleuro-pneumonia?—Yes.

14,236. Is tuberculosis so general throughout the country, do you think?—I have a list giving the extent in various centres of England.

14,237. You think that it is?—I think that it is very prevalent; in some places more, in some places less, and it is in Scotland and in Ireland as well.

14,238. You propose that it should be scheduled?—Yes.

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14,239. How do you propose to schedule a disease that is not apparent upon examination?—Of course, we suffer through those animals being taken, which we cannot tell are wrong, therefore, we say a farmer should be compensated for them. The anomaly of the present law is this, that although I am prevented from selling what every practical man would say is a prime fed animal, although that animal is confiscated, yet I am not prevented from selling the milk from an animal in the last stages of that disease, and that milk is consumed by the public; therefore, we say that from a public point of view, it is very important that this should be scheduled.

14,240. That would mean that a farmer should be compensated for every animal that was found affected with tuberculosis, and condemned for that?—Yes, because it is quite possible, and it is frequently done. I have seen scores and scores of cases—that an animal which is not worth a sovereign, may be yielding to the very day of her death six or seven quarts of milk a day, and that milk goes to the towns.

14,241. Are the medical officers of all authorities equally as stringent as those at Blackburn seem to be?—Yes.

14,242. Do they condemn the animals as universally?—Yes, at Blackburn, Darwen, Southport, Liverpool, Birkenhead, and all over the country. I know that in Scotland there was a case of two bullocks which some time ago were sold, I believe, for over 50*l.* each.

14,243. Do you know whether it has been decided absolutely that such meat is injurious to health?—It is left entirely to the option of the medical officer.

14,244. Of the individual medical officer?—Yes. A Commission have been sitting on this matter for four years, and the very fact of their taking such a long time to make their report is our strong ground for stating that there must be an element of uncertainty, which justifies us in demanding that the authorities should stay their hands until that report does come out.

14,245. Some authorities, as a fact, are very much more lenient than others?—Some authorities are, but in Lancashire one authority seems to be copying another, and I do not remember a week when one good animal is taken. One was taken this week; two were taken last week, and every week some good animal is taken.

14,246. Do you think that depends on the state of the disease, or what organs are affected?—No; if it is found at all in the lungs. Here is a strong point that I wish to draw the attention of the Commission to with regard to the importation of foreign meat. Foreign meat comes from abroad dead without any lungs. Now if you will give an average butcher three minutes' start of the sanitary inspector after opening the beast there is no sanitary inspector who can find that the animal has been suffering from tuberculosis.

14,247. It is only from examination of the lungs that it can be shown, then?—That is so. The dead meat comes from abroad without the lungs, and consequently we have no proof whatever but what we are allowing tuberculous meat to come in from abroad whilst we will not allow it in England.

14,248. Are you aware that in Denmark distinctions are made as to the meat?—Yes, I am aware of that.

14,249. Would you suggest that they should prevail in England?—We consider, as I said at first, that if an animal is sufficiently well to enable it to feed and to graze into a good carcase of meat, and to defy detection alive, the meat cannot possibly be injurious to the public. That is, in the absence of the Report of the Royal Commission.

14,250. (*Chairman to Mr. Barlow.*) I understand you come from the same district as Mr. Kay?—Yes.

14,251. And are a member of the same association?—Yes.

14,252. You have been deputed by that association to come here?—Yes.

14,253. You have heard Mr. Kay's evidence to-day?—Yes.

Compensation for improvements.

14,254. Have you anything to add to what Mr. Kay has said?—I should like to make the basis of compensation on the determination of the tenancy rather clearer.

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14,255. Will you add anything that you have to say upon that point?—So far as the tenancy being determined goes the 1883 Act from my experience of both working it and seeing its working is that it has become a dead letter in consequence of the latter part of the clause, as Mr. Kay has already told you. There are many points which are brought up which seem to some to point to a court having to be created in consequence of having to determine the value to the incoming tenant on the determination of the tenancy of any improvements that have been made by the quitting tenant. We say that the Act of Parliament whatever it is based upon ought to be made sufficiently clear and sufficiently definite, so that any child in the Third Standard can be able to tot up at the end of the tenancy the amount of compensation that is required to be given to the outgoing tenant, we say that that ought to be paid without litigation and without any doubt whatever to either the outgoing tenant or his successors or her successors whoever they may be. We say that the 1883 Act if made sufficiently clear upon that point would give so far as that goes a very good basis for a new Tenant Right Bill to be based upon. We say that schedules ought to be issued clearly defining three classes of improvements, first, second, and third class. With regard to first class improvements and Mr. Lambert's question as to whether the sitting tenant's paying too much rent and the consumption of the grass by rabbits or other things were not in the same category, we say that in that case what we have said about compulsory disturbance has not been considered by the association. When we are speaking here with regard to compulsory disturbance so far as our Bill has been gone into, we have never gone into that question of compulsory disturbance. Mr. Kay and I have had some conversations, but I must be candid, we speak and must only speak on behalf of ourselves so far as regards compulsory disturbance.

14,256. (*Mr. Lambert.*) Compensation for compulsory disturbance then is not a part of the programme of your association?—No, it has not been hitherto.

Compensation for compulsory disturbance.

14,257. Have you ever discussed it?—Not in the association—not that I am aware of. It may have been casually mentioned, but it has never been seriously discussed to my knowledge. In consequence of its having been discussed outside recently we have considered that it is a very serious question indeed, though we have no authority to-day to say what our opinions are except as speaking on behalf of ourselves. I think it is only fair to those whom we represent to say so. My opinion with regard to any disturbance, whether it be capricious or otherwise, is that if it be a compulsory disturbance of the sitting tenant, the sitting tenant ought from many points of view to be compensated whether he is going to quit in consequence of destroying rabbits that were devouring his fodder, or whether it is because he is paying too much money, or whatever it may be. Compensation for compulsory disturbance in my opinion ought to be inserted into our Bill; but we have not considered it hitherto; I think, if it was put in, that whatever the cause the tenant should have notice, for it should not be incumbent upon the tenant to show that it was in consequence of having shot a rabbit or whatever it was, he should only be required to show that the landlord had given him notice for compulsory disturbance, and that he had worked up a connection with regard to cheese-making, or to milk, or to anything of that sort, and then for that trade or that connection that he has worked up I think he is really entitled to some compensation.

14,258. (*Chairman.*) But it is a matter which has not been discussed by your association?—It has not been discussed.

14,259. And you are speaking your own individual view?—Yes, that is so.

14,260. Except on that point you agree with what Mr. Kay has said to-day?—Mainly so.

Dairying in Blackburn district.

14,261. (*Mr. Whitehead.*) With reference to the dairy farms near Blackburn, you know them equally with Mr. Kay, I suppose?—Yes.

14,262. Does dairy farming increase round about Blackburn, or does it decrease?—I never knew much ploughing there—there has been very little indeed. There has not been much increase.

14,263. In spite of an increasing population?—Dairying has increased, but it could not increase much owing to the fact that there was not much ploughing in that neighbourhood.

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14,264. What size are these dairy farms?—They vary from 30 to over 100 acres in Mr. Kay's district; in our part of the district, in Rossendale, we have not very many large ones.

14,265. Thirty to 100 acres?—(*Mr. Kay.*) 100 acres is considered a large farm in Blackburn.

14,266. Would it be worked entirely by the tenant and his family?—Yes. We have no agricultural labourers in our district.

14,267. No agricultural labourers?—No; a man and his family are working a dairy farm from 4 o'clock in the morning till practically 8 o'clock at night. (*Mr. Barlow.*) I pay men, but I do not look upon them in the light of agricultural labourers the same as they are in the south.

14,268. Are they not actually hired?—They have wages paid them. (*Mr. Kay.*) But that is only a case where a man has a berth on the farm. (*Mr. Barlow.*) I pay 25*s.* a week to one, and to the other 15*s.*

14,269. In most of these cases are these tenants prospering with this dairy farming?—No. I cannot really say that they are in our district, so far as I know. The best proof of that is, that they are constantly leaving their farms.

14,270. Why is that; they work themselves, and they have a great demand for their milk, of course, in a town like Blackburn; can you explain it?—In the position that I have occupied for nearly 20 years, I have proved both by my experience and by going amongst them, that many are reduced to that position that they cannot carry on.

14,271. From want of capital?—Yes, the capital has been constantly going; it began in wet seasons about a dozen or 14 years ago, and it has kept gradually declining: the rates have increased in some districts, and the returns of produce have been less, and the rent has not gone down along with that. To my astonishment, though they have done, as far as my observation has gone, all they possibly could to avert the calamity that really seemed coming on them, they have not been able to persuade their landlord or agent to reduce their rents, and when the rents have been reduced they have been reduced generally to new tenants. I regret to find that that is rather the rule.

14,272. (*Mr. Everett to Mr. Kay.*) In regard to the hours, how long did you say the hours are accustomed to be on these dairy farms where they employ no labour; how long do the people themselves work?—They must be up at 4 o'clock in the morning in summer, and 5 o'clock in winter in order to get their cows milked, and their milk in the towns for breakfast. Then there are two kinds of "kitters," we call them "kitters" as an abbreviation because they take their milk in the kits. If they take the milk twice in the day they have got to be there again about 7 o'clock at night, deliver their milk round, and it is frequently 9 o'clock when they have got home, got their horse stabled and done their work.

14,273. So that it is a very hard life?—Yes; you will find the farmer, and you will find his wife and his sons and his daughters all turned out at 5 o'clock in the morning, and all milking the cows.

14,274. Do you suppose that the money that they earn in the year is equal to a very high wage?—I am sorry to say that that is where the trouble is coming, these young people have been expecting that their parents have been able to put something by for them in the way of wages, but I am very sorry to say that almost invariably the same tale is told to them, and that when they want to get married and to make a home for themselves, they find that their parents cannot afford to give them anything, and the consequence is that the younger generation are flocking into the towns, and the old people are having to work in their old days, when they ought to be doing something else.

14,275. The remuneration that they and their families are receiving off their farms is less than they would earn if they were working for wages for other people?—Undoubtedly. I may say that where I live there are scores of mill operatives who are living in houses at 3*s.* a week where they are bringing into the house from 2*l.* to 3*l.* 10*s.* per week; but there is nothing of that kind in farming.

14,276. So that the extension of this small occupier system would not look to have any gospel in it for

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working people?—I do not think that in our district it would be at all required or taken advantage of.

Decrease in fertility of soil.

14,277. You were saying that the productive capacity of the land in your opinion had decreased in the last few years?—Yes.

14,278. Do you think that the selling of milk continuously off the land has been a considerable element in that?—I do not think so at all. My experience is just to the contrary. Mr. Lambert asked me what I thought a tenant who had had to quit for the rabbit business had improved his farm, and I said about 200*l.*, that was altogether an improvement out of what we call white provender. The Act does not give very much compensation for the consumption of sack provender, the manurial value is not so great, but the majority of these farms are so small and the number of cattle kept is so large that they are practically kept upon sack provender alone, the consequence is that a man is able to manure not only the meadow land, the mowing land everywhere but a portion of his pasture; consequently he is bound to be improving it. I can give you instances. One farmer I have in my mind who has been at a farm 14 years and is leaving it now; when he came to the farm it would only keep eight cattle, but it is now keeping 22.

14,279. The productive capacity of that farm has increased?—Yes. I am speaking now of purely dairy farms, but outside, owing to the tenants becoming gradually impoverished, they have not been able to spend much in fertilisers, two seasons have been wet and against the land, and I am satisfied that the yield, the fertility of the land, in those cases has decreased very considerably.

14,280. I suppose the farmers in your district buy a good deal more feeding stuff than they grow to sell?—They do not grow any. I, myself, on my dairy farm, which is only 44 acres in extent, have 31 full-grown milking cows, and I am not able to grow sufficient hay for them, and the pasturage has to be helped out with the large amount of provender which I buy. I spend 400*l.* a year in provender.

14,281. The fall in the price of corn and cake has really benefited you on the one side of your holding?—It has.

14,282. But not so much as you have suffered from the fall in the value of stock, I think I understood you to say?—No; and this question of tuberculosis is now facing us, and it is a most serious matter.

The witnesses withdrew.

Adjourned to to-morrow at 12 o'clock.

Twenty-fifth Day.

Friday, 30th March 1894.

PRESENT:

The Right Hon. GEORGE JOHN SHAW-LEFEVRE, M.P., in the Chair.

The Right Hon. Henry Chaplin, M.P.
Captain Owen Thomas.
Francis Alston Channing, Esq., M.P.
John Clay, Esq.
Cornelius Neale Dalton, Esq., C.B.
Robert Lacey Everett, Esq., M.P.
George Lambert Esq., M.P.
Charles Whitehead, Esq., F.L.S.

Herbert Lyon, Esq., *Secretary.*
R. F. Crawford, Esq., *Assistant Secretary.*

Mr. E. Turnor.

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Mr. Edmund Turnor called and examined.

14,283. (*Chairman.*) You are tenant for life of an agricultural estate of 21,000 acres in Lincolnshire, are you not?—Yes.

14,284. And you act as your own agent?—Yes, I practically do. I have a couple of clerks, but I look after the whole thing myself.

Rental.

14,285. What is the present rental of the estate?—Last year it was 20,398*l.*; that was the nominal rental as it stood on the books, but then I returned 10 per cent., and then there were the arrears. The actual sum I received in that year was 16,549*l.*

14,286. Of that 2,240*l.* were arrears?—And the rest was returned in consequence of the bad season.

14,287. The rest was a temporary abatement?—Yes, a temporary abatement of 10 per cent.

Comparison between 1878 and 1893.

14,288. Will you compare that with the year 1878, before the reductions began?—That was 29,067*l.* gross rental, and there was an arrear of 1,253*l.*

14,289. I suppose your actual receipt in that year was the difference between the gross rental and the arrears; there were probably no abatements then?—There were no abatements; there was that amount of arrear.

14,290. Therefore your net income for 1893, as compared with 1878, was reduced from about, roughly, 28,000*l.* to 16,000*l.*?—Yes, it was.

Expenditure on improvements.

14,291. During that time had you expended large sums on improvement?—Yes, I think there is a statement here as far as I can make it out; it was not very easy to get out; I made it out in various years. Beginning in 1830 down to 1893 it is about 155,000, but I think that is below the real amount.

14,292. That would be at the rate of about 2,300*l.* a year?—Yes, that is excluding ordinary repairs of maintenance. It is simply for new repairs and drainage.

14,293. Has that amount been maintained during the last few years, since 1888?—I have got it here from 1842 to 1874 about 85,000*l.*; from 1874 to 1886 about 21,000*l.*; and from 1886 to 1893 about 11,000*l.*

14,294. You have not maintained that expenditure the last few years?—No, the income has fallen off, so that it is impossible to maintain it.

14,295. In many cases we have been told that the landlords have been compelled to spend more in consequence of the period of depression in order to keep their tenants?—I do not think that is the reason. The estate is in very good order from all this money having been spent there, and very few buildings and cottages are wanted.

14,296. You have evidently spent considerable sums of money upon it in the way of improvement?—Yes.

14,297. And you were able to do rather less during the last year in consequence of what you had done before?—In consequence of its being in such good order.

Reduction in rent.

14,298. The nominal reduction of rental has been about 30 per cent.?—Yes, if you take the larger farms alone it would come out nearly 40 per cent. I think, 35 to 40. Of course there are the smaller holdings, and then the cottages which are not reduced; they are let at a low rental.

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14,299. What would you put as the acreage of a large farm as compared with a small one?—I can hardly give you that; I have not worked it out.

14,300. Roughly speaking would a large farm be 400 acres or more?—Some 600 or 700; they vary; they are of all sizes.

14,301. How many farm tenants have you got?—I will fill that in later. I will give you the details and the rentals at different periods.

Land in hand.

14,302. Have you much land in hand which has been thrown up by tenants?—I am farming now about 4,200 acres, but that includes a park and the home farm; you may take off 700 acres for that perhaps.

14,303. Deducting that, then, you have 3,600 acres in your hand?—Yes.

14,304. Besides that had you many other farms thrown on your hands during the last few years?—Yes, an acreage of 4,277, I think. Altogether since I succeeded in 1886 I have had 5,427 acres vacant from deaths and tenants leaving, and I have let 4,277 out of that and about 1,150 I have kept in hand.

14,305. When were these 4,200 acres let—quite lately?—I have got all the details here—the dates and the acreages and the number of applications for them.

The letting of farms.

14,306. Have you let many farms within the last few years?—In 1894 I let 229 acres for which I had seven applications—that was not advertised; then 454 acres, two applications—that is a farm I had in hand since 1889: and for another small holding of 46 acres, which was not advertised I had three applications.

14,307. You say that you let a farm this year of 229 acres which I presume you would call a small farm?—Yes, it is a small holding.

14,308. You had seven applications for it?—Yes, seven.

14,309. Was that at any reduction of rent?—No, the same rent as the old tenant paid.

14,310. How much did it work out per acre?—About 15*s.*

Demand for farms.

14,311. Would you say there is still a demand for small farms in your district?—For small farms up to 200 or 250 acres there is a fair demand.

14,312. At a fair rent?—Yes, at a fair rent—of course nothing like the rents of 20 years ago.

14,313. A reduction probably of 30 per cent. as compared with then?—Yes, I should think quite 30 per cent.

Average rent.

14,314. What would be the average now per acre?—I should think I have not many over 1*l.*; they are under 1*l.* an acre.

14,315. About 1*l.*?—Yes.

Land laid down to grass.

14,316. Has much land been laid down to grass?—I have laid down about 927 acres since 1881—that is laid down with a view to its standing. Then the practice has grown up of letting the land lay down in what we call seeds three or four years besides.

14,317. Has there been a considerable reduction of arable land?—To that amount there would be, and of course the other is a fluctuating thing—it is impossible to say; the tenants leave it down as they like.

Labour.

14,318. Is less labour employed upon your estate?—Yes, I think there is less labour employed. I have got here if you like to have it (it is made out by one of my tenants) the labour cost on a large farm on the Wolds at three different periods, 1851, 1878, and 1894.

14,319. What are the figures?—It is not per acre, but it gives the prices paid (*handing in return*). That is made out by a man who keeps very accurate accounts; it shows the fluctuation in the rate of labour.

14,320. Apparently the day labourers were paid in 1851, 1*s.* 8*d.* per day; in 1878, 3*s.*; and in 1894, 2*s.* 3*d.*?—Yes, that is so.

14,321. Therefore there has been a reduction during the last 10 or 11 years, but in 1878 they had risen very considerably?—Yes, they had and for the last five or six years previous to 1878.

14,322. Apparently on this farm the same number of hands were employed as before?—I suppose so; about the same number. I might have got out per acre how it came out, but I have not.

14,323. The turnip hoeing apparently in 1851 was 3*s.* 6*d.*—done by piece-work, I suppose?—Yes, those are the rates for piece-work.

14,324. In 1851 it was 3*s.* 6*d.*, in 1878 it had risen to 5*s.*, and in 1894 it had come down to 4*s.*?—Yes.

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14,325. And corn weeding 1*s.* 6*d.* in 1851, 2*s.* 6*d.* to 4*s.* in 1878, and 1*s.* 6*d.* to 3*s.* in 1874?—Yes.

14,326. Therefore there has been a considerable reduction within the last few years?—Yes.

14,327. But not to the point to which it was in 1851?—Not to that point at which it was in 1851.

The season of 1893.

14,328. I suppose that the year 1893, last year, was one of the worst years you have ever had?—It was, I think, the worst since 1886 since I have been farming, and have had the management myself; the yield was so bad.

14,329. That was on account of the drought?—On account of the drought. I have here some figures relating to one of my own farms, the best barley farm; I have got worked out the yield per acre for five years, and 1893 comes out much the worst; the money yield is 5*l.* per acre, and before it has been over 7*l.* That was entirely owing to the drought not to price; the price was about the same.

Price of barley.

14,330. Apparently the price had rather improved?—It varies; the average price was 34*s.* 1*d.* in the first year I have taken, and the same last year.

14,331. In 1889 it was 34*s.* 1*d.*, in 1890 35*s.* 4*d.*, in 1891 32*s.* 11*d.*, in 1892 31*s.* 10*d.*, and in 1893 34*s.* 1*d.*?—Yes.

14,332. Therefore the price was distinctly better than in 1892 and 1891, but the yield per acre fell from 6*l.* 19*s.* 2*d.* in 1891 and 7*l.* 8*s.* 6*d.* in 1892, to 5*l.* in 1893?—Yes.

14,333. Therefore, 1893 was an exceptional year?—It was the worst year certainly.

14,334. Due to the badness of the yield?—Yes; and that is a farm which grows the best quality of barley for the Burton brewers.

Results of farming.

14,335. Apart from the year 1893, should you say that with the reduction of rents that have been effected, the farmers can hold their own?—The five years I have had that farm it has paid me the rent and the interest on the capital, and that is one of the farms I have now let.

14,336. Then you worked this farm which was in your own hands for five years?—Yes, without any loss at all.

14,337. Without a loss?—Yes.

14,338. Making interest upon your capital?—Yes.

14,339. And rent?—Yes.

14,340. What rent did you pay yourself?—I put it at the same rent as the old tenant, about 16*s.* I think it was.

14,341. 16*s.* an acre?—Yes.

14,342. What interest did you credit yourself with on your capital?—3½ per cent.

14,343. 3½ per cent.?—That is what I paid.

14,344. Beyond that did you make any profit?—Very slight I think. The only reason that farm did not let is because it was very steep, some of it—steep hillsides. It is rather a difficult farm to work with horses, and there is not much grass.

14,345. 3½ per cent. on the capital would hardly be enough for a farmer, I suppose?—I daresay not, but still it repaid me what I paid for it. I only paid 3½ per cent.

14,346. Did you employ a bailiff on it?—Yes, a foreman.

Prospects of farming.

14,347. Then I would ask you again, apart from the exceptional year of 1893, should you say that with the reduction of rent and with the reduction of wages, and, I suppose, some reduction of rates due to the lower assessments, that the farmers in your district could hold their own?—With 1892 and 1893 excepted you may. 1892 was a bad year generally speaking (except on that farm), on account of the cold, wet summer and the bad wheat harvest. There was a great deal of corn out almost in November which was worthless. But previously to 1892 I think they got on fairly well. Then, of course, the price of wheat has decreased.

14,348. You have had two exceptional years in succession?—Yes, we have had two bad seasons.

14,349. One due to a wet season and the other due to drought?—Yes.

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14,350. Therefore the net result was very unfavourable?—Yes.

14,351. You may say, I presume, that the prices did not rise in proportion to the deficiency of the two harvests?—No.

14,352. That, in fact, is what the farmers have got to meet, the possibility of bad years without a rise in price?—Yes, then the last two years not only the price of wheat, but the price of stock has diminished so very much. That is a good deal owing to the drought, and also to the quantities of foreign meat coming in, I think.

14,353. But largely due to drought; I presume there was no food for the cattle, or rather less food for the cattle, and they were thrown upon the market?—Yes, I have got the average price of hoggets, which are the yearling sheep in the great market at Lincoln April fair. From 1877 to 1893 it works out at 57*s*. 6*d*., and the lowest year was 1893, 45*s*. 7*d*.; that shows a reduction of 12*s*. and in cattle the reduction was almost larger.

14,354. That reduction, I suppose, was only mainly in the last year?—That was in the last year, and it still continues. They have not gone up to the present moment, but that is a good deal owing to the drought and partly also to the increased quantity coming in, I think.

14,355. Have the farmers generally got the benefit of the reduction of their rents in the reduced assessments?—Yes, I think they have taken care of that.

Rates.

14,356. Have the rates in the £ been increased or not?—In some places they have. In South Lincolnshire they have been increased.

14,357. In your own district?—They have increased about 1*s*. in the £; but I live in north Lincolnshire, and there they have not, they are about the same as they were. I think since the county council came into operation in some places they have increased.

14,358. What do the rates average, taking all the rates together, how much in the £?—Perhaps half-a crown to 3*s*. Of course, each parish varies.

14,359. Then if there has been no increase in the £, and if they have had a reduced assessment owing to the falling rents, the tenants have got a substantial relief in that direction?—Yes.

14,360. If they got their assessments reduced in proportion to their rent?—Yes, but the rates increase, and very often it is nearly as broad as it is long.

14,361. You have just told us that in north Lincolnshire the rate in the pound has not increased?—It has not increased there so much, but in south Lincolnshire, where I pay rates in the parish, it has increased something like a shilling.

14,362. Is that an exception, or is that a rule, do you think?—There are two different county councils, and it is different altogether.

14,363. One county council has been more economical than the other?—One county council spends more money than the other; I believe that is it.

Condition of labourers.

14,364. Now as regards the condition of the labourers, what have you to observe upon that?—I do not think that their condition has deteriorated at all. The employment may become more irregular, but of course they get a great advantage in the low price of food, bread and meat. In winter I daresay there may be more unemployed.

14,365. But on the whole, should you say there is no deterioration?—I do not think there is.

14,366. Has the low price of food made up, do you think, for the lower rate of wages?—I should think it had very nearly.

14,367. Are there any empty cottages on your estate?—None on mine; there are some here and there in Lincolnshire in the large open villages where the cottages belong to small owners and are high rented. I know three or four villages where there are empty cottages.

Uncultivated land.

14,368. Has any land gone out of cultivation in your district?—I think not. There were some two or three farms four or five years back. I do not know of any in Lincolnshire that you can say are out of cultivation at the present moment. One of these cases was a case of disputed ownership, and I think there were reasons for it in each case.

14,369. Have farms been subdivided at all?—Not much.

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14,370. You told us just now that there is a demand for small farms?—Yes.

Subdivision of farms.

14,371. Has that been met at all by cutting up or reducing the acreage of large farms?—Not much, I think. There is a standing difficulty in the way—the money to find for the building of the houses, and unfortunately during the last 40 or 50 years up to when the depression set in the tendency in Lincolnshire has been to throw all the farms together.

14,372. That was the tendency up to that time?—Yes, up to about 20 years ago.

14,373. That, you think, has been a misfortune?—As things are now it is. Of course when times were prosperous I daresay it may have been an advantage.

14,374. But lately the smaller farms have done better than the larger ones?—They are much easier to let. There are more people with sufficient capital to take a farm of 200 acres than a farm of 500.

The currency.

14,375. Now what do you suggest as a remedy?—I am in favour of bi-metallism. I think that the low price of silver acts as a premium on Indian wheat, but I do not think it would do any good unless you have some international agreement. One country doing it is no use at all.

14,376. We may take it that you consider the fall in price has been due to the appreciation of gold?—Yes.

14,377. And you think that that might be met by some provision in the direction of bi-metallism?—Yes.

Rates.

14,378. Then what further do you recommend?—Local rates should not be increased. The tendency of the present day no doubt is to increase them with all the different bodies levying rates. They ought to be reduced if possible.

The marking of foreign meat.

14,379. Then what further?—Then there is the marking of foreign meat. Foreign meat certainly does not compete against our best meat but it competes against the inferior varieties, and as it is now it is very difficult to tell which is which.

14,380. Do you think that it is possible that the consumers may appreciate New Zealand meat as much as the inferior English meat?—As it is now they cannot tell one from the other. It competes against the best class of meat now, simply because you cannot distinguish in the butcher's shop which is which.

Malt tax.

14,381. Then on the subject of the malt tax what have you to say?—I think that the substitution of the beer duty for the malt tax is a very great mistake. Certainly all the substitutes for malt—sugar and so on—have increased very much.

14,382. I think you must have been in Parliament when the agitations for the repeal of the malt tax took place?—I do not remember. I do not think I was. I forget what year it was in. No doubt it was a mistake.

14,383. You think what was done was a mistake?—It is a mistake now and every year shows it more clearly. It is more the inferior barleys that it tells against; the best barley goes to Burton and the Burton brewers buy it and it does not tell so much against that but certainly it has depressed the price of the second class barley.

14,384. I think you said your district grows the best quality of barley?—Yes, in part; that farm does and the district round Grantham does, and, of course, all the Lincoln heath does.

Price of barley.

14,385. Taking 15 or 20 years ago has the price of the best quality of barley been maintained?—I think it has diminished; it used to be at 40*s*.

14,386. It used to be at 40*s*.?—Yes, I should think you might take an average at 40*s*. 20 years ago for the best barley.

14,387. Now it has come down to 34*s*. apparently?—Yes, 34*s*., and sometimes less.

State loans.

14,388. Then do you think anything can be done for landowners by the Government lending money for improvements?—I do not see why the Irish peasants should have Government loans and not the English landowners—they want help almost as much now. With these reduced rentals it is impossible to execute any improvements in the way of new buildings or anything.

14,389. If loans were made on easy terms would it be possible to reduce the size of the farms in order to meet

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the demand?—You might do that, and that is what I had in view.

14,390. Have you borrowed any money yourself through the improvement companies?—Yes, I have. I have got something like 2,000*l.* a year running now in improvement rentcharges—terminable charges.

14,391. What average interest do you have to pay including repayment?—I think it is about 6*l.* 10s. from these improvement companies who have offices in this street.

14,392. Have you calculated what it might be if the loans were made by the Government?—I think the Irish loans were something like under 4 per cent.

14,393. Including the repayment?—Including the repayment over a term of years.

14,394. But I think those were for the purchase of their holdings where the repayment would be spread over a much longer term than would be possible for effecting improvements?—I do not know what the terms of the Irish loans are, what term of years it is, but most of the drainage and building loans are repayable within 25 years.

14,395. Of course it makes a great difference in the annual charge what the term of repayment is?—Yes, it does.

14,396. What in your opinion should be the term of repayment?—I think buildings you might well extend to 30 or 40 years; of course they continue good. But drainage does not; no doubt the life of drainage does not last above 25 years.

14,397. Is there much room for further drainage in your district?—There is always a certain amount that gives out every year, and wants renewing.

Value of land in Lincolnshire.

14,398. Have you anything else to suggest?—I have got a statement here showing the depreciated selling value of land in Lincolnshire—a certain number of cases in recent years which one of the leading solicitors gave me.

14,399. Will you state what they are?—Practically you may say the land market is dead in Lincolnshire now; you cannot sell any large estate. Those are all small ones.

14,400. The large estates are unsaleable, and apparently from those lists for the smaller estates the value of land has gone down 50 per cent.?—Yes, there is a certain demand for accommodation land and grass land; you can sell that in small lots.

14,401. Not quite 50 per cent.; I should say, looking roughly at it it is from 40 to 50 per cent.?—I have not worked it out at all. Those were only given me a day or two ago.

Leases and yearly agreements.

14,402. (*Mr. Whitehead.*) Do your tenants hold under a lease or under an agreement generally?—I have got an agreement with me here if you would like to see one. They are all yearly agreements with six months' notice.

14,403. Do you find that they object to leases?—I have never been asked for one. I think in Lincolnshire there is a strong feeling against leases, especially in the present time; they do not like to tie themselves for 14 or 21 years.

14,404. That applies to the whole of Lincolnshire?—That would apply to all Lincolnshire.

The Agricultural Holdings Act and the Lincolnshire custom.

14,405. Do you adopt the Agricultural Holdings Act with respect to your tenants?—No; in that agreement there is full compensation for tenant right and improvements.

14,406. Is the Agricultural Holdings Act adopted generally in your part of Lincolnshire?—There are very few estates under the Agricultural Holdings Act. We have got a custom in Lincolnshire which we consider quite as good as the Agricultural Holdings Act.

14,407. And your tenants consider that equally good?—Yes, and they pretty nearly all of them prefer a six months' notice instead of 12. I think I have only got one farm on 12 months' notice.

Compensation for land laid down to grass.

14,408. How do you assess the compensation with regard to grass land laid down by your tenants?—We do not have that. I have always given the seed myself and very often the manure at the end of three or four years to put on it.

14,409. Is the compensation for that provided for by the Lincolnshire custom?—No, I do not think it is. It is only in recent years that it has arisen.

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14,410. What would be the process then in case of compensation being necessary?—I suppose it would work out in this way, the tenant might plough up the grass as if he was going; he would come to you and say, "I will plough this up unless you give me compensation;" so it would be a question for agreement then. He would have power, under the custom and the agreement, to plough it up, so in that way he would get compensation.

Free sale.

14,411. Does your agreement allow sales of hay and straw?—No, it does not; but in one or two cases I have allowed the sale of straw. I have not got a strong opinion against it, provided the farm is properly managed, and the supply of artificial manure is sufficient. I do not see why they should not sell straw, but I have hardly ever been asked, none of them wish to sell it.

System of cultivation.

14,412-3. Might I ask what the principal cultivation is on your estate?—The soil varies; there is every description; sand and clay, a little fen land, and chalk and limestone. It is arable chiefly; I should say three-fourths of it is arable. I have no very large amount of grass and no very good grass.

Results of farming.

14,414. You told us that on one of your farms you had made a small profit and you had paid yourself the rent?—Yes.

14,415. Would that apply to all the land you have in hand?—No, certainly not, not the clay land. That was a turnip and barley farm.

14,416. What would be the state with regard to that?—On the rest of it if I can make the interest on my capital that is about all I can do now.

14,417. Without charging any rent?—Yes, with but little rent. I just keep it going in a good state without loss except the rent.

14,418. Would your estate consist chiefly of the heavy clay land or of the other land?—I hardly can tell you the proportion of the two, but I should think the clay land is the smaller half of it. I have a good deal of clay land.

14,419. Have your tenants, do you think, made a profit upon that clay land?—Of course it is all mixed up together, and there are very few purely clay farms except one or two that I have got in my own hands. The soil varies very much in the same farm.

14,420. But as a rule it seems that your tenantry have done well, because there have been few changes, and your rents are paid fairly well?—Yes, on the whole. There is always a certain amount of arrears which there used not to be, 20 or 25 years ago an arrear was unknown, but now there is always some every rent day.

Ground game.

14,421. With regard to rabbits, do you make any reservation?—They kill their own rabbits.

14,422. Yesterday we had evidence that in some agreements tenants were prohibited from killing rabbits under penalty of so much a rabbit?—That would be useless now under the Ground Game Act.

14,423. I know, but still it figured in an agreement. Do you know of any case of that sort in your district?—No, I do not think I do. They kill their own.

Results of farming.

14,424. (*Mr. Clay.*) The land you have in your own occupation would seem to be about 4,000 acres?—Yes, it is. That includes the park, and it is really about 3,600 that I am farming without the park and the home farm.

14,425. Have you drawn up a balance-sheet of profit and loss on those farms?—I do work it out every year I keep it in different accounts. I have five farm accounts all kept separate.

14,426. What is the general average of the percentage you are getting for profit?—I am afraid there is no profit to be made now in these days. That which I mentioned is the only farm which has paid the rent and the interest. That is a turnip and barley farm.

14,427. And the other farms are not paying interest?—They have paid the interest, but little rent. I think, taking the eight years one with another—the eight years since I have managed it—that is what I reckon they have done.

14,428. They have paid little rent, you say?—Little rent, but they have paid the interest on the capital, 3½ per cent. That is what I pay myself, so I do not charge myself any more.

14,429. Do you consider a tenant taking that farm and farming it would make ends meet at 3½ per cent.?

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—I suppose not: I suppose they would want more than that, but still 3½ per cent. is about as much as one can get now for any investment, I think. It is very difficult to get more.

14,430. There is more than the money invested in the farm—there is labour to be allowed for—so much per cent. for labour, for farmer's superintendence?—Yes, but I have not reckoned that in. Of course it includes the bailiff and everything of that sort.

14,431. But for a farmer's marketing and experience what per cent do you think that he should have over and above the general 3½ per cent.?—Of course that would be a separate thing; you can put that down that it comes into the profit.

14,432. May I ask you what that would leave as profit?—As far as I have worked it out there is nothing left for profit beyond paying the interest on the capital. I have only looked at it from that point of view myself, not from a tenant's point of view.

14,433. But is the tenant's point of view not a very important view in the matter?—It is, no doubt, from their point of view, but in the land which I have had myself I thought it was hardly necessary; as long as it paid the rent and the interest I was quite satisfied.

14,434. Do you not think in that condition of things you are as a landlord called to give a further reduction of rent to enable the tenant to have something gathered up for old age at all events?—Certainly they ought to have something in the land that is let beyond their interest and the rent.

Reduction of rent.

14,435. May I ask have you reduced your tenants' rents of late?—Yes, I have reduced them roughly speaking on the whole estate about 35 per cent. and then for two years, beginning Michaelmas 1892 and Lady Day 1893, in addition to that I returned 10 per cent., and the last half year I have returned 15—in addition to the 35 per cent. Of course it varies very much. Some farms work out over 50 per cent. reduction and others are less.

14,436. But if you are only making 3½ per cent. of profit do you know if your tenants are making any more?—Some might be doing better. Of course all the farms I have got on hand are the worst farms on the estate. The best are let.

14,437. Do you not think under those circumstances that you should make a further reduction to enable your tenants to have what they call now a living wage?—I think they do live, except these last two years; most of them have paid their rent before except a certain amount of arrears every year.

14,438. Have you given a special reduction for the last two years?—I have given a special reduction for the last two years.

14,439. Of 15 per cent.?—10 per cent. for two half years and 15 the last half year.

The Agricultural Holdings Act and the Lincolnshire custom.

14,440. Regarding the Agricultural Holdings Act you say you have a Lincolnshire custom that works quite as well as the Agricultural Holdings Act?—Yes, they always prefer in Lincolnshire to go under the custom instead of under the Agricultural Holdings Act.

14,441. I see by your agreement you give seven years only for lime?—Yes.

Compensation for limeing.

14,442. Do you consider that is sufficient?—Some people give ten, I think—perhaps ten might be better, but there is very little limeing done; in fact, I generally give the lime myself of recent years—there is hardly any done by the tenant.

14,443. So you must have thought even ten years is not sufficient for the tenant to get his compensation out?—I think seven is about the usual thing in Lincolnshire.

14,444. Do you consider you can take the whole of the compensation for the lime out in two rotations of a five-course rotation?—I think so. I do not think it lasts much beyond.

14,445. Have you not an experience of it lasting more?—I have not done very much limeing myself.

14,446. So you have not any experience?—We lay the worst clay land down in grass and then it does not want limeing.

14,447. Are you troubled at all with finger and toe turnips in Lincolnshire?—On some farms, but not very much. On Sandy land I have found that gas lime is the best remedy for that.

14,448. How long do you consider gas lime lasts?—Only one or two years, I think. You must put it on in a very small quantity. It is very dangerous stuff to deal with, and you have to be very careful with it.

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14,449. What quantity per acre?—I hardly can tell you that, but you must only just put it in with the drill; I do not sow it broadcast, but just use it instead of ashes.

14,450. What price do you pay for gas lime, may I ask you?—I have not bought any very lately, but it is only a low price, I hardly can answer the question. It is four or five years since I have had any.

Malt tax.

14,451. You say that the abolition of the malt tax had lowered the price of second class barley; is it not the case that it lowered the price of the good class barley more than the second?—It has lowered the second; I daresay it may have lowered the best class 5*s.* a quarter, but the second class barley that is grown on the clay land, and inferior land, it has lowered much more; you cannot get more than about 24*s.* or 25*s.* now for it.

14,452. Is it not within your memory that the farmers themselves of Lincolnshire were the principal advocates of the abolition of the malt tax?—I daresay they were but I should think most of them see their mistake undoubtedly.

14,453. And they have found it out; would they like to return to the malt tax again?—I think they would certainly.

Effect of the fall in prices.

14,454. (*Mr. Chaplin.*) With regard to those farms which you have in hand and which you say are just able to pay interest and no more on your capital, I suppose that if there was any further fall in prices they would not even be able to do that?—No, I do not think they will do that this year with the bad year we have had, but I have not made out the accounts for this year—not for 1893 terminating this Lady Day.

14,455. Then if there was to be any further appreciation of gold to which I understand you attribute the fall in prices, land in Lincolnshire would begin to go out of cultivation unless it was farmed at a loss?—Yes, it would.

Land in hand.

14,456. With regard to these farms in hand, which I understood you to tell Mr. Clay were some of the worst farms on the estate you took them I presume because you could not let them satisfactorily?—Yes, one or two that I have taken were left in a very bad state, and I have really not tried very much to let them. When I succeeded to the estate I think there were over 2,000 acres then in hand and I went on with it, so that really I have not made any very great attempt to let part of it.

14,457. They were left in very bad condition?—Some were left in a bad state. I have just taken a farm now which I have not tried to let; in 3 or 4 years I hope to get it round and then to let it.

14,458. I suppose if you attempted to let it in its present condition, you would be compelled to take hardly any rent at all?—Yes, I daresay, very likely, but it is naturally a good farm.

14,459. Has that been your experience recently in the case of farms that have been given up, that they have been often in a very bad condition?—Yes, some have been, not all. That farm to which that paper there refers was handed over to me in a very good state.

14,460. What were the circumstances under which that was handed over to you?—The last tenant had it, and grew a lot on it, and he said he could not make it pay. I have certainly managed to make it pay the rent and the interest on the capital. It was a hillside farm, and if there is anything against a farm now they will not take it.

14,461. I understand it was in good condition while he farmed it?—Yes, it was in very fair condition.

14,462. And he handed it over in good condition?—Yes.

14,463. And notwithstanding that, he could not make it pay?—So he said, but he got very old, and I think that had a good deal to do with it; he retired altogether.

Reduction in rent.

14,464. The reductions upon that class of farm I understand you to say, including the recent temporary remissions that you have made, amount to 55 per cent.?—The 15 per cent. would be in addition to the 35 per cent.

14,465. Then it amounts to 50 per cent.?—Yes, that is taking the average of the whole estate, not the large

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farms; the large farms alone would come out to something like 10 per cent. more.

14,466. The reductions on the large farms would come to something like 50 per cent. ?—They would with the 15 per cent.

14,467. Now with reference to the question put to you by Mr. Clay, that if the tenants were not making more than 3½ per cent. interest on their money should you, under those circumstances, make a further reduction. I assume that if the tenants were not making more than 3½ per cent. they would ask at once for a reduction ?—I do not think they would be backward at all in asking for a reduction, I have found that.

14,468. In that case supposing you refused a reduction, I presume they would give up the farm ?—Yes, very likely.

14,469. And you would be in the same position that you are with regard to those that you have in hand already ?—Yes.

14,470. Then I infer, if that is the case, that their position is not yet reduced to yours, that they can only just make 3½ per cent. interest ?—No, I suppose probably some of them make more.

14,471. The reason being, I understand, that the farms that they still retain are superior in character to those you have in hand ?—They are better of course, most of them, than what I have got myself.

14,472. (*Chairman.*) You have had the disadvantage of having to bring up the farm again to a good condition when it was thrown upon your hands ?—Some of them, yes.

14,473. (*Mr. Chaplin.*) And also, I understand, they are naturally not so good ?—That is so.

Labour.

14,474. Now one of the effects of the depression, I think you said, was that less labour was employed ?—Yes, I think there is on the whole.

14,475. Have the wages of the agricultural labourer fallen ?—They have. I put in a paper showing the wages paid on two large farms in the Wolds—one of my tenants gave it to me. It shows three different periods.

14,476. As far as labour is concerned the effect of the depression in Lincolnshire has been this: that there is less employment for the labourers and more difficulty in obtaining it, and wherever they obtain it it is at considerably less wages ?—Compared with 1878 it is, but not compared with 1851.

14,477. Compared with the middle period, for I observe that your table is divided into three periods ?—Yes, I think my own labour has increased a little bit since 1887 and 1894. I have the rates per acre here worked out on my farm.

14,478. (*Chairman.*) Taking this table that you have laid before us, it would seem that the labour wages have been reduced 20 per cent. since 1878 ?—Yes, it went down to 2*s.* one time, and then it has gone up again a little.

14,479. It is very much above the price at which it had been in 1851 ?—Yes.

Large and small farms compared.

14,480. (*Mr. Chaplin.*) With regard to the relative prosperity of the large and the small farms, what is the nature of large farms when there is a man in possession with plenty of capital still left, and able to do justice to the farm; are they in a worse condition, do you think, than the men holding 200 acres or not ?—We find instances of both almost; I do not know whether you can draw any general conclusion about that. Some are doing well; in fact I could produce two or three farmers—not my own tenants—I know one man especially, who would say this last year in Lincolnshire was one of the best years he has had.

14,481. How did he account for that ?—It is a very good farm, and he has sold a good deal of his straw: it is his own land; and he made a very high profit on it.

14,482. And he had some good barley, I suppose ?—Yes, very good barley, and it averaged 36*s.*

14,483. (*Chairman.*) Do you know what he sold his straw for ?—I think he sold some at 3*l.* 5*s.*; that is what he told me he got for oat straw, and wheat straw is about 4*l.*

14,484. (*Mr. Chaplin.*) Whereabouts is that farm situated; is it anywhere near a town, or has he had to transport his stuff ?—No, it is down near the fens.

14,485. It grows very heavy crops of straw ?—It grows heavy crops of straw.

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14,486. (*Chairman.*) How much would he grow to the acre ?—I think he told me that he sold two tons of oat straw off one field.

14,487. Per acre ?—Per acre, and made about 6*l.* 10*s.*

14,488. (*Mr. Lambert.*) That is a very exceptional crop ?—Yes, it is. Of course you must not take that as a test, only I mention it to show that even in a bad year like last, under exceptional circumstances a man has done well. I know of one or two cases of that sort, but you must not take them as a test at all.

14,489. (*Chairman.*) Then straw seems to be an exception to the rule of other agricultural produce; if there is scarcity it does rise in price; that would naturally arise from the difficulty of importing it ?—It has risen now.

14,490. (*Mr. Chaplin.*) I suppose that the reason for trying to restore small farms in a greater number is entirely due to the fact that it is so much easier to find tenants for them ?—It is; it is much easier to find men with a small capital than with a large capital.

Fall in prices.

14,491. Now, but for the great fall which has occurred in prices, is there anything within your knowledge to render agriculture at the present time less prosperous than it was in former days ?—Apart from the fall in prices ?

14,492. Apart from the fall in prices ?—No, I do not think there is. What has rendered the depression more acute the last two years has been the bad seasons of 1892 and 1893.

Changes in system of cultivation.

14,493. I know that you are a practical agriculturist; is there anything to be done in your opinion in a county for instance, like Lincolnshire, by changing the character of the cultivation in any way ?—I do not think there is much; you must agree it has changed to a certain extent, and of course there is a very large proportion of land that used to be sown with wheat which comes in for other crops now—oats and barley. In fact, I myself, have given up growing wheat except for the straw, but otherwise there is a good deal of land laid down in grass, though really that does not pay very much.

14,494. With the exception of a rise in prices is there anything that you can suggest from your practical knowledge that would be beneficial to agriculture ?—Nothing except what I have mentioned here; I think the substitution of a malt tax for the beer duty would help the barley land a great deal.

Malt tax.

Duty on barley.

14,495. A good many witnesses have suggested to us before this Commission that they would like to see part of the duty which is at present raised upon beer remitted, and an equivalent revenue raised by the imposition of a duty upon foreign barley; would that meet with your approval ?—I do not believe very much in putting duties upon foreign corn. I do not know whether it is practicable.

14,496. Assuming that it is practicable, do you think that it would be of any benefit to agriculture or to any portion of the agricultural interest ?—It might help the inferior barleys a bit, now that they brew from all kinds of barley. Russian barley costs 16*s.* or 18*s.* a quarter; and I believe a good deal of that has been used this last year.

14,497. Other witnessess have replied to a similar question that some classes of agriculturists would be injured by it because foreign barley is used now considerably for feeding ?—Yes; of course it would tell against them in that respect. I found it answer to sell my barley at 25*s.* this year and buy the Russian barley at about 18*s.*

14,498. What I want rather to arrive at is whether you have formed any opinion as to which side the balance of advantage lay on ?—I should rather say that it would lay against it perhaps.

14,499. It would lay against it; that is your view ?—Yes; I would sooner have the cheap foreign barley for feeding stock.

Cattle disease.

14,500. Have you ever considered the question of the Contagious Diseases (Animals) Acts, and whether anything further should be done in that direction ?—Lincolnshire now, I may say, is practically free from disease except swine fever, and I do not think there is anything more to be done if we go on as we are.

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14,501. Any return of these diseases I suppose you would regard with the greatest possible apprehension?—Of course I should.

Slaughter of foreign cattle.

14,502. Many witnesses have suggested that in order to ensure us against any re-introduction of that disease, the time has come when the orders for the slaughter of all animals at the port should be made obligatory?—I certainly should be in favour of that I think; in Lincolnshire we do not want any store cattle.

14,503. Would you go so far as to say this, then: that you approve of the view that animals should no longer be permitted under any circumstances to be sent into the interior of the country except for special purposes?—I certainly should like to see all cattle slaughtered at the port of entry. I think Lincolnshire practically breeds its own cattle; we do not import many.

Leases and yearly agreements.

14,504. I think you told us that your farms were all held on agreements based upon the custom of the county?—Yes.

14,505. And that the tenant farmers, as a rule, in Lincolnshire were entirely opposed to leases?—Yes, certainly. I have never once been asked for a lease.

14,506. That is not only the case at the present time, but I think I am right in saying, am I not, that it has always been the case?—It always has been the case, in Lincolnshire they prefer an annual agreement to a lease.

14,507. The reason for that, I think was two-fold, was it not; namely, that under the custom of the county they thought they had an equal or a better security than was given to them under a lease; and that at the same time they were encouraged to continue the high cultivation of the farm until the last moment?—Yes, I think that is the case.

14,508. In any of those changes of tenancy that you have had recently have you had any demands or applications for a modification of your agreements?—No, not at all.

14,509. Or for any changes in them?—No. My usual practice when anybody comes to enquire about a farm is that I give him a blank copy of the agreement, and ask him to take it home with him and read it over at his leisure. I do not think I have ever had anybody ask for a modification.

14,510. You have had very considerable changes in the rents of course?—In the rents of course, but not in the agreements.

14,511. In the terms of the agreements you have had no applications for changes at all?—No. That agreement has been in force upon the estate for, I think, 40 years or more. There may have been one or two slight modifications.

14,512. And that, I understand, is the case although they have every opportunity of studying the agreement or of coming to make applications for changes in it if they desire to do so?—Yes.

Land in hand.

14,513. (*Mr. Dalton.*) In the profit and loss accounts of the farms that you have in hand, how do you deal with the expenses of the bailiff?—It all goes into the labour.

14,514. What are his wages usually?—They vary, I think, from 60*l.* to 70*l.* I am only telling you from memory; I may not be quite right.

14,515. The farmer would save that if he had the farm?—He would save that certainly, although some of them keep a foreman.

14,516. The farmer would also get his residence on the farm?—He would get his residence and there is a certain advantage in keeping his establishment in what a man gets off his farm.

14,517. Therefore it would not be fair to suppose that he would only in those very bad farms that you have taken, get the 3½ per cent?—No; he would get other advantages.

14,518. He would get those two advantages?—He would get his house rent free, and he would get milk and poultry or whatever produce he chose to consume.

Price of straw.

14,519. Can you form any estimate to what extent the rise in the price of straw has compensated for the fall in the price of corn?—I think that you may take it that the rise in the price of straw is very exceptional it is only this year in consequence of the drought. I do not think you can draw any general deduction from that; next year it may vanish again.

14,520. But if so much less wheat is grown in the country do you not get less straw? Does not that send up the value of straw necessarily?—Yes, there is always in normal years a good deal of wheat straw going from the fen district of Lincolnshire into the towns now.

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Rates.

14,521. You think one of the remedies should be a reduction in the local rates?—Yes, certainly.

14,522. How do you propose to bring that about?—There ought to be more of the local expenses thrown upon the Imperial taxation.

14,523. Do you think that does reduce the rates always or does it conduce to extravagance in any way?—I do not think it conduces to extravagance. Take, for instance, those rates that we have in aid of the police which have been going on for some years.

14,524. You think that the difference in the rates between north Lincolnshire and south Lincolnshire is owing to the fact that in the one case you have a county council that spends more than the other?—I think so; that is my experience, but I have not worked the thing thoroughly out.

14,525. You have not seen how much the difference in the county rate is between the two?—No. It comes to me in this form; the county rate is levied in the poor rate and on these farms you cannot very well deduct the county rate, it is all paid together.

Slaughter of foreign cattle.

14,526. (*Mr. Lambert.*) You expressed an opinion that you were in favour of the slaughter of animals at the port of debarkation; for what reason do you favour that slaughter?—I think it would keep out foreign diseases.

14,527. And is that the only reason?—Yes.

14,528. So that presuming foreign countries were free from disease you would not advocate such a measure?—No; but then it is very difficult to know that they are free. Recently we have had several cases on the continent of Europe; it is very hard to say when a country is free from disease.

14,529 Presuming they were free?—If it is possible, yes.

Tenants' capital.

14,530. Have the tenants lost a good deal of capital in your district?—I have no doubt they have in Lincolnshire. I am afraid there is no doubt about that.

14,531. Can you give any estimate as to what proportion of capital the tenants have lost?—I have never gone into that question really.

Arrears of rent.

14,532. I see that your arrears in 1878 amounted upon the gross rentals to something like 4 per cent., but 25 years ago you said you had none?—There were practically none; there may occasionally have been a small one. In 1878 they were just beginning to feel the bad times.

14,533. In 1888 they amounted to about 13 per cent.?—Yes.

14,534. And in 1893 they were about 11 per cent.?—Yes.

14,535. Why is it that in 1888 the arrears should have increased?—My practice is not to keep them on the books for a very long time, I write them off. That may have been the reason. More may have been written off then. If I think they are utterly irrecoverable I write them off.

14,536. Then I suppose arrears of rent would mean, in some degree at all events, too much rent being charged?—No, I do not know that it would; there are other reasons: some men farm much better than others; some men always get into a chronic state of arrears of rent and others do not. On some farms you never have any arrears.

Condition of agriculture.

14,537. You said this last year 1893 was the worst year you have had; what was the state of agriculture say five years prior to 1893?—It has been going down hill no doubt more or less every year; but then the bad seasons of the last two years, 1892 and 1893, have made it much worse.

Reduction in rent.

14,538. As compared with 1888 were there many reductions in rent up to 1891?—Yes, there were; the reductions began in 1878 and they have been reduced ever since.

14,539. I know; take the period 1888–1891, were there many reductions in that period of three years?—From 1888 to 1891 they are not wholesale, but some farms were reduced. I have always tried to keep all the farms on the estate about level, so that they have no reason to complain, particularly in the case of a new letting.

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15,540. Have you had many changes upon your estate?—I have had these changes since 1886. I have had 5,427 acres left, and out of that I have let 4,277 acres.

14,541. Do you find that where newly let, the new tenants require a larger reduction of rent than the old tenants required?—No, I do not think so.

14,542. You said that the Lincolnshire system of tenant right encouraged high cultivation?—Yes.

Condition of farms at end of tenancy.

14,543. How do you reconcile that with the fact that when the farms are given up to your hands, they are in an impoverished condition?—Of course you may have a very good system on paper, and they do not carry it out; a man, if his capital diminishes, or for any other reason, if he takes to drink, or anything of that sort, lets his farm go to the bad.

14,544. Were all those farms that you had given up to you in an impoverished condition?—No, not all of them, I will not say that all were.

14,545. Would it be possible to frame a system of tenant right whereby it would pay a man quite as well to leave his farm in a high state of cultivation as in an impoverished condition?—We think we have got that system; but of course, as I say, you may have the best system on paper, but you cannot make every individual carry it out; that depends very much upon the tenant of each farm.

Length of notice to quit.

14,546. I see in your agreement that you stipulate that six months' notice shall be the length of notice to quit?—Yes.

14,547. Are the tenants generally in favour of that?—They are. When the Agricultural Holdings Act of 1883 came into force I asked them all, and there was only one man who wanted 12 months, and that was for a special reason. He sold milk. We gave him 12 months. The six months' notice is almost universal in Lincolnshire, I think.

14,548. Can it possibly conduce to high cultivation, that a man is liable to be disturbed at six months' notice?—I do not think it matters at all as to whether it is six months or 12; the only advantage of 12 months is that perhaps a man may have a whole year to take a little more out of the farm.

14,549. To recover what he put in possibly?—I do not think as to the cultivation whether it is six months or 12 months matters at all.

14,550. I am thinking of fairness to the tenant; do you think it is fair to the tenant, that the landlord should have the right of evicting him in six months without any previous notice?—It is the universal custom almost in Lincolnshire.

14,551. Is the custom based upon the tenant farmers' wishes?—Yes, I think so. If they wish to have 12 months, I should not at all object to their having it. In fact in the only case, as I have told you, where the man did ask for it, he got it. I do not think it is a material point between six and 12 months.

Size of farms.

14,552. What is the most lettable size of the farms?—I should say up to 250 acres.

14,553. What proportion of arable would that maintain, and what proportion of pasture?—It varies very much, perhaps one third grass.

14,554. What would a decent farm of 250 acres make per acre?—You must take the difference in the land into account there.

14,555. A fair average farm?—Now there is very little land in Lincolnshire let at 1*l.* per acre, they are all under 1*l.*, except in the fens.

Demand for farms.

14,556. Presuming you had such a farm as that to let, how many applicants would you get for it?—This paper shows all the farms I have let, and, except in the two first cases, the number of applicants in each case (*handing in a paper*). I happened to have kept the particulars in my book, and I have had them copied out.

14,557. I see that for one farm of 55 acres you had 39 applicants?—Yes, that was advertised; that was some four or five years ago. For these little farms under 100 acres you may get any number of applicants; of course I daresay they were not all good men.

14,558. I notice that even in 1893 you had a farm of 437 acres, for which you had two applicants?—Yes.

14,559. And this year you had a farm of 229 acres which was not advertised with seven applicants?—Yes.

14,560. And another farm of 454 acres with two applicants?—Yes, that is a farm I had in hand, and which I have let.

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14,561. Another not advertised, 46 acres, three applicants?—Yes.

14,562. So there is no difficulty in letting farms in Lincolnshire?—Well, not with small farms you may say; but if you get anything above 500 acres the case is different. Under 250 acres I should certainly say that unless there is any special reason against a farm, unless it is a difficult farm to work, or there is no grass on it, or it is all clay—certainly within the last year or two the demand for the smaller farms has improved.

Land laid down to grass.

14,563. I see in your paper you have laid down a good deal of land to permanent pasture?—Nearly 1,000 acres. I have given the tenants seed, or else paid them for what they have had.

14,564. That is about one-twentieth part of the estate?—Yes.

14,565. Have the rents been reduced on the grass land in the same proportion as on the arable?—I have no purely grass farms, they are all mixed; they are none of them even half-and-half, the arable predominates in all of them.

Restrictions in agreements.

14,566. I notice in your agreement that you charge 5*l.* a ton if the tenant removes straw, or roots, or hay?—Yes, but I never had a case where I enforced that.

14,567. You have never enforced it?—It has never been enforced; it is one of those stipulations which were put in 40 years ago.

14,568. You could enforce it if you liked?—We could, but I do not suppose they ever wish to sell straw.

14,569. You limit them to growing one acre of mangold?—Yes, that is for seed, because that runs the land out.

14,570. I presume you would not enforce such a condition as that, because I have known men who make very large sums of money by growing mangold seeds?—Practically speaking, I suppose no one has ever asked me for it, they do not grow it; it is a precarious thing. In some years you make a large sum of money by it, and the next year you lose by it.

Railway rates.

14,571. Do you think there is any difficulty as regards railway rates in your part of the country?—I have never gone much into the question of railway rates. We have got the Great Northern and the Great Eastern through Lincolnshire, and I have never looked very much into that question.

Expenditure on improvements.

14,572. (*Mr. Channing.*) You state that the expenditure for 60 years upon improvements has been about 155,000*l.* excluding the ordinary repairs?—Yes.

14,573. Have you any figures which would enable us to know what the average ordinary repairs would cost?—10 per cent. on the gross rental I believe used to be the most that a land agent reckoned them at.

14,574. The ordinary repairs?—Yes, the ordinary repairs, excluding new things. But I dare say now that I do not spend quite 10 per cent.

14,575. That would be about as much again as the average of the 155,000*l.* distributed over the years?—Yes. Of course when you get new buildings on a farm for some years there would be no ordinary repairs so that that would diminish it.

14,576. The average would be about 5,000*l.* a year, I suppose?—Yes, it would be.

Schedules of condition of farms.

14,577. We have had a number of witnesses who have stated their desire to have a schedule of the condition of the separate fields on the farm and of the buildings and fences and so on, entered upon the agreement at the time of taking the farm?—Stating the condition of each field?

14,578. Stating the condition of each field and also the condition of the buildings; do you approve of that?—It would be very difficult to work out in practice. My experience of a tenant quitting is that the landlord gets very little for dilapidations if the farm is left in a bad state or the buildings are left unpainted, or the hedges are bad, or there is anything like that.

14,579. If the whole state of the farm, including the buildings, was passed through an inventory in that way at entry, it would strengthen the claim of the landlord in the case of a bad tenant, would it not?—It might cut both ways, I daresay; but still I always reckon dilapidations at a very small sum indeed. I have had one of

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two cases where I tried to get them. I had an umpire in, but practically one got very little. It was not worth the trouble.

Tenants' capital.

14,580. You have said that farmers are taking farms more suited to a reduced capital; what is your idea of an average capital per acre that farmers working these 250-acre farms in Lincolnshire should have?—I believe formerly the rate allowed was about 10*l.* an acre, but now I generally take a man with from 6*l.* to 7*l.* That is what I reckon. If a man has 6*l.* I generally take him. Of course the cost of entry is less and the price of stock is less.

Farmers and money lenders.

14,581. Have you any opinion as to the power of farmers now for borrowing money on reasonable terms if they require it?—I am afraid the banks will not lend them any money now. In former years they lent them a little too much, they were rather too free, but now they hold a very tight hand over them.

14,582. I will not ask you about your own estate; but do you think that many farmers are falling into the hands of money lenders as apart from the banks?—I do not think so. I daresay some of them have overdrawn accounts and that sort of thing. I am not a banker myself, so I do not know their secrets. I do not know whether they have fallen into the hands of money lenders; if you mean by that the Jews, I do not think they have.

14,583. You are aware that in all the county newspapers, there is an immense number of advertisements of money lenders?—Yes.

14,584. Do they not get a good many customers?—I have not heard of cases of that sort, I know that all the local papers have a great many of such advertisements, but I have had no case come under my own notice where the farmers have gone to those people.

Beer.

14,585. Have you any opinion as to the changing of the law about the substitutes for malt and hops in beer; do you think that would help the farmers on the barley land?—I think it would if you could ensure all beer being brewed from barley instead of sugar and maize.

Swine fever.

14,586. You said that Lincolnshire was free from cattle disease, and all other disease except swine fever?—Yes.

14,587. Do you care to give any evidence as to the carrying out of the present Act?—I think it has been very successful. We have had a good deal of swine fever, but the diseases of cattle have almost ceased in Lincolnshire during the last two or three years.

14,588. Has the operation of the Swine Fever Act of last year done any good as yet?—Not yet, I think; it has hardly had time enough to work.

14,589. Is it being worked satisfactorily in Lincolnshire?—It is being worked; a good many of the Lincolnshire markets are shut up; but there has hardly been time to see what the effect is.

Reduction in rent.

14,590. (*Mr. Everett.*) You told us of the reductions which you have already made in rents; if the prices of this year continue, and especially if they get lower, do you imagine that those reductions which you have had to make, will have ended?—I am afraid not, if things go on as they are.

Fall in prices.

14,591. Then in regard to the question of the malt tax, all the products on a farm have fallen in value, have they not—wool, live stock, and wheat?—It has all fallen more or less, but of course wheat has fallen most of all. But really wheat has almost gone out of our calculations now, we only grow it for the sake of the straw.

14,592. Has not wool fallen very largely, too?—Yes, it has; but it recovered a little bit; it recovered a couple of shillings compared with what it was two years ago.

14,593. But it has fallen 100 per cent.?—It has fallen from what it was in the days of the cotton famine.

14,594. Stock has fallen a good deal, has it not?—Stock has. I think if we get a good fair season this year stock would recover a good deal because the numbers have decreased.

Price of barley and the malt tax.

14,595. Is it not the case that of all our principal agricultural products, barley has really fallen the least?—That is so with the best barleys, but I do not think that it is so with the inferior barleys, they have fallen considerably.

14,596. The point I was coming to is this: is it not probably due to some other cause than the repeal of the malt tax that barley has fallen as it has, and is it not really the fact that something has stayed the fall of barley so that it has not fallen to so great an extent as our other produce?—Good barley is a very difficult thing to grow; it is the most delicate grain there is, and there is very little of it grown and that keeps the price up. If you can grow really good barley there are very few countries that will compete against you except the Saale barley from Germany, and a little Canadian; I believe they sent over a year or two ago some very good Canadian barley. Practically speaking, we can hold our own in growing the best barley, but not the second class and third class barley.

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14,597. It struck me that you had imputed the fall in barley to the change in the malt tax, while our other products, concerning which no such change has been made, have all fallen really more than barley has?—Yes, I think they have; for the reason that it is difficult to produce there is less competition in the case of the best barley.

The currency.

14,598. Then coming to the question of bi-metallism, by bi-metallism I presume you mean open mints for the two precious metals, gold and silver?—Yes.

14,599. And that each should be full legal tender?—Yes, put them as far as possible on a level.

14,600. Treat them equally. That system prevailed, did it not, until 1873?—Yes, when the Latin Union changed their policy.

14,601. Practically through the world gold and silver were one money at a fixed ratio and were coinable without check or limit in the mints of certain great nations?—Yes.

14,602. Generally speaking you have formed the opinion that the departure from bi-metallism has been injurious to agriculture?—I think that prices have shown a tendency to decrease since 1873, since the change was made in foreign countries.

14,603. In your mind you connect that continual decrease of price with the change that was then made?—Yes, and also the fact that wheat has reached its lowest, and silver, almost at the same time as wheat, has reached the lowest price known.

14,604. Your opinion is that it would be advantageous to return to the former state of things?—Yes.

Lincolnshire, agricultural statistics of.

14,605. (*Chairman.*) I do not know whether you have examined the agricultural statistics with regard to Lincolnshire for the last year as compared with previous years?—I do not know that I have.

14,606. They seem to me to bring out some rather striking facts; for instance, I find that the decrease in the number of labourers was very much greater between 1871 and 1881 than between 1881 and 1891. The reduction beween 1871 and 1881 was 3,700 ——?—Is that the rural population, or labourers alone?

14,607. Agricultural labourers alone; it was reduced from 1871 to 1881 by 3,700, and from 1881 to 1891 by a further 1,400; therefore the reduction in the last 10 years, taking the last year for which we have got figures, was very much less than in the previous 10 years. Then with regard to the farmers the case is even stronger. From 1871 to 1881 there was a reduction in the number of farmers of 1,330, and between 1881 and 1891, of only 170. Do you know what could account for that large reduction in the number of labourers and the number of farmers between 1871 and 1881?—No, I have not looked at those statistics.

14,608. From your knowledge of what has happened in Lincolnshire, you cannot explain why it was that between 1871 and 1881 there was such a large reduction both in the number of farmers and in the number of labourers?—No, I do not know of any cause that should have made it more in those 10 years than in the last 10

14,609. It is a striking thing that the number of farmers should have been so largely decreased in the one decennial period, and only to a very small extent in the second period—the later years?—Yes.

14,610 (*Mr. Dalton.*) Were the small farms between 1871 and 1881 being turned into large ones?—No, I think it was the other way. That might operate a little. You would get four or five good years in the first 10 years. I think, practically speaking, they were all thrown together before.

14,611. (*Mr. Everett.*) Were not a good many farms thrown into the landowners' hands in that decade?—That began about 1878 and 1879. I think the first farm we had was in 1879.

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14,612. (*Chairman.*) That would only give two years for any operation of that kind in the decennial period that I speak of. Then taking the number of cattle and comparing 1877 with 1892, I find that there has been an increase in Lincolnshire of 61,000?—You have not got 1893. I think 1893 will tell a different tale, will it not?

14,613. That will be due to its being an exceptional year?—Yes.

14,614. But 1892 would show what the average state of the county would be, would it not?—I daresay it might. They did increase, I know, when the country became free from disease; but this last year, if you take 1892 and 1893, both sheep and cattle will show a decrease. I think there are something like 60,000 fewer sheep in Lincolnshire alone in the two years.

14,615. I have not got the figures for 1893, but that would be due to the special drought; whereas the other increase has been apparently a progressive one year by year, from 1870 to 1892, showing that there has really been an increase in the quantity of cattle in Lincolnshire?—The price of store stock got out of proportion to the price of fat stock about five years ago, and people took more to breeding.

14,616. Then I find that, curiously enough, in the number of horses used for agriculture only there has been an increase between 1877 and 1892, from 48,500 to 52,000—an increase of 3,500. That seems rather difficult to understand?—I think people have taken to the only thing there is a profit in now.

14,617. I am not now talking of breeding, I will go to that presently—I am now taking according to the agricultural return the horses used in agriculture; the number has increased from 48,500 in 1877 to 50,000 in 1882 and 52,000 in 1892. Then horses not broken and mares for breeding purposes have increased from 14,500 in 1877 to 19,400 in 1892, an increase of 5,000, which is more than 33 per cent. Have you those figures at all?—No, I have not; but I should think generally speaking that agricultural horses have increased on account of their being such good things to sell. There is a very good demand for town horses.

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14,618. Those figures tend to show that after all whatever may be the state of the agriculture of the county farmers have increased their stock?—They have certainly increased the sheep and cattle because they found that it was better to breed than to buy. They gave such a high price for young store stock that there was no profit left to feed them. That was the case four or five years ago.

14,619. The figures would also tend to show that there has been no very large decrease in the number of labourers during the last 10 years nor in the number of farmers, but that there was a very considerable decrease in their numbers in the previous decennial period?—I do not think there are any very large number of houses about unlet; there are a few in some of the big villages.

14,620. You cannot account for those facts?—No, not comparing one 10 years with another 10 years.

14,621. (*Mr. Chaplin.*) You told us of a case in which a great quantity of straw has been sold from some fen farm apparently with great advantage to the tenant; do you know what was brought back in its place and if its place was sufficiently supplied with foreign manure?—I think he farmed his own land and that it was not let. I believe he is a very good farmer. It is only just recently sold, so probably there is nothing brought back yet.

Cattle disease.

14,622. Then with regard to this question about the increase of stock in Lincolnshire during the last ten years, that would be very largely accounted for, would it not, by the diminution and latterly the complete absence of disease?—Yes, it would. We had considerable losses amongst the sheep from fluke after 1879 in one or two years, and that has all ceased now.

The witness withdrew.

Mr. Henry Butler Bomford called and examined.

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14,623. (*Chairman.*) You are a tenant farmer in Warwickshire, I believe?—Yes.

14,624. In what part of Warwickshire?—Very near the centre; it would be to the right side a little.

Particulars of farms.

14,625. What size farm do you hold?—I have three farms; one is 582 acres, that belongs to the Marquis of Hertford. Then the Exhall Court farm is 375 acres, that belongs to the Dudley Trust Fund; they advanced a mortgage upon it, and had to take to the land for the mortgage; and then the Rectory Farm at Exhall, which is 345 acres.

14,626. How long have you held those farms?—The first, the Dunnington Court farm, my father has been in possession of for 59 or 60 years; I have only had it in my occupation for six years. The Exhall Court Farm, was originally my father's; he bought it. I was his tenant for about 20 years, and for the last five or six years, I have had it from the Dudley Trust people. The Rectory Farm I took on a lease on September 29th 1873, at a rent of 510*l.* In the year 1887, on September 29th, the lease was broken. I do not know that it is necessary for me to say why it was broken, I will if you like, and it was retaken at 210*l.* and reduced on September 29th, 1892, to 170*l.*

Reduction of rent.

14,627. What has been the reduction in rent in the other two farms?—The Dunnington Court farm when I took it six years ago, was 700*l.*; then in the years 1891 and 1892 we had 10 per cent. reduction, and last year, on the 29th September, it was reduced to 1*l.* an acre, 582*l.*

14,628. That is now the permanent rent?—Yes.

14,629. Is 700*l.* the maximum rent that your father paid?—No; he paid considerably more than that.

14,630. How much?—He gave evidence before the Duke of Richmond and Gordon's Commission. I do not know whether you have that evidence, but you would get it from that I expect. He was giving, I know, about 34*s.* or 35*s.* an acre at that time, so that really there have been two or three reductions on that farm. It has been reduced from about 34*s.*, we will say to about 20*s.* The Exhall Court farm I used to pay my father 2*l.* an acre for, and now it is reduced down to 24*s.*, but that I have taken on a 7 years' lease, which expires next Michaelmas twelve months. I have had a 5 per cent. reduction off the lease, and so it points to the fact that I am paying more than I ought to pay for that, having taken it on a lease, and that it will inevitably come down at the expiration of the lease.

14,631. You expect a further reduction?—Yes.

14,632. Are these about the average reductions in the neighbourhood?—On the Marquis of Hertford's estate I should think that he has reduced it nearly all within the last 12 months from 10 to 15 per cent. in some cases it may go to 20 per cent. Sir William Throckmorton has a large estate in our neighbourhood, and he has reduced his about 10 per cent.

14,633. Is that within the last two or three years?—Yes, just recently.

14,634. Those reductions, I suppose, follow upon certain previous reductions?—Yes, I should say the reductions have been about the same as my father's that is from 34*s.* to 20*s.*

Average rent.

14,635. Is 20*s.* an acre about the average rent now in your neighbourhood?—Yes, it is about that. That would be rather excessive—it would be from 15*s.* to 20*s.*

14,636. For average land?—Yes; there are some that would be over 20*s.* some of the very best farms even now, but they are exceptional and there would be more under 1*l.*

14,637. Taking the average farms of the district they still let at from 15*s.* to 20*s.*?—I should say so. This Rectory farm I am only giving 10*s.* an acre for 345 acres.

14,638. Is that rather inferior land as compared with others?—Yes, it is a purely wheat-growing land and is not suitable for barley at all.

14,639. Is it heavy land?—It is a marl land, a very poor land; in fact, it is not worth cultivating a great deal. We lay it down in seeds and allow it to lay in two to three years then we cultivate it and break it up and plant it with wheat again.

Demand for farms.

14,640. Do these reductions in rent lead to a demand for farms in the neighbourhood?—I do not think there has been any change for ever so many years. There are

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about the same in the landlord's hands to-day as there have been now for the last ten years.

14,641. If a farm is vacant can it be let at these rents?—It has been up to now, but of course the season has been a very trying one in our neighbourhood.

The season of 1893, and falling prices.

14,642. Your district of Warwickshire has suffered very much from the drought has it not?—Very much for the want of rain. You have been talking about the question of straw for instance. We should not have a third of the straw so the price is really against us. At this Dunnington Court Farm we usually reckon to sell straw—perhaps 50*l.* to 100*l.* worth; but this year we have had to cut nearly every bit of it up into chaff for the cattle and had not any to sell.

14,643. But last year was rather an exceptional year?—Yes, but still the price of straw is against us rather than in our favour.

14,644. Apart from the question of straw, the year was a very exceptional one?—Yes.

14,645. And is therefore hardly to be considered as a fair illustration of the average condition. What I was trying to ascertain was whether apart from last year the farms have been letting at the rents you name?—I think they would. Of course there is this drawback, that the price of wheat has gone down from about 11*s.* to 9*s.* 6*d.* a bag; that might tell if the farms were in the market to-day. These prices have really come down since last September and the farmers have been building their hopes upon the fact that the prices would get better; instead of that they go the other way.

System of cultivation.

14,646. Has there been much change in cultivation in the district?—No. We observe pretty well the same rotation of cropping, or nearly so. We have grown a few potatoes and a few cabbages, and we have grown more peas for picking for marketing than we did years back, because we found them to pay better than wheat growing.

Land laid down to grass.

14,647. Has much land been laid down in grass or not?—No. On the Dunnington Court farm there have been about 40 acres laid down, but that was laid down because it was not very good land, and it was immediately under a wood where they keep a good few rabbits, and the corn was considerably damaged. On my own farm at Exhall Court, I have laid about 20 acres down. I have laid that down myself, but of course, if I am not compensated at the end of my lease, I could break it up and have a crop off it. I have no doubt the landlord will compensate.

14,648. Have other tenant farmers done the same—have they laid down a certain proportion of their farms in grass?—Yes, they have; but not to a very large extent.

14,649. Not to a large extent?—No, I think not.

Acreage under wheat.

14,650. Has there been a reduced acreage in wheat cultivation?—Yes, but not very much. I have the quantity of acreage grown for the last six years on the one farm which I have taken. Last year we were very short; we had only 71½ acres of wheat against 133 in 1888, but this year we have about the same as that—I think it is 120 acres this year, so there is not really very much difference now.

Results of farming.

14,651. Have you suffered losses yourself on the three farms that you speak of?—More especially on the Marquis of Hertford's farm; this year it would come out quite 400*l.* to the bad.

14,652. Apart from this last year, which was, as you state, a very exceptional one, what has been the general result for the last few years?—For the last six years, to take an average of the years, there is not much reason to complain.

14,653. Not much reason to complain?—No; but then of course there is not the prospect before us now of making the money on the produce that we have made during the past six years; taking the next six years it is not at all likely that we are going to make the price for anything that we have done during the past six years.

14,654. That is rather in the direction of prophecy?—Yes.

14,655. What one wishes to arrive at is what your experience has been?—That is quite my opinion.

16,656. We want what your experience has been, apart from the very exceptional year that you speak of; of course, taking the average of the last six years, the prices have fallen considerably as compared with the previous years?—Yes.

14,657. But instead of that apparently you have not done badly, having regard, I presume, to the reduction of rent and the reduction of your assessments?—No; of course the reduction of rent now will tell very much. On this one farm the reduction last Michaelmas would amount to from 15 to 20 per cent. Of course we have that to set against the low price, but whether it will meet it entirely is a question.

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14,658. I wish especially to direct your attention to the six years previous to the last one; you said that the average of those was that you had not done badly?—No, one or two years were very good years; but there is a very great difference in the years. I have some papers that will show it. The value of the stock and corn sold in the year 1889 was 2,293—that is off one farm. Then last year, in 1893, it would be 1,819*l.*—that is a difference, you see, of nearly 400*l.*; and this year, 1894, it will be still less.

14,659. What I was rather trying to eliminate was this last year, which was an exceptionally bad one, due to the seasons; and to ascertain from you whether the reductions of rent which you had obtained had made up for the previous fall of prices, and whether you had done fairly well on the average of years?—I think the reductions may meet it for the future, but they will not meet it if the price of corn keeps, we will say, at the present figure. For instance, I think that we could manage if we made something like 28*s.* a quarter on barley and 3*s.* 10*d.* to 4*s.* on wheat, and about 8*d.* per lb. on mutton and 7*d.* per lb. on beef—I think that that would about meet it.

Rates.

14,660. Have you obtained reductions in your assessment for rates in proportion to your rents?—Yes, they were all reduced immediately.

14,661. Immediately?—Yes, they were all reduced from this very date.

14,662. Are the rates in the pound about the same?—I have taken the rateable value of Exhall parish in 1870, which was 1,191*l.*, in 1894 it is reduced to 921*l.* 15*s.* 6*d.* It required a rate for the half year to pay all the rates in 1870 of 1*s.* 3*d.* in the pound, and now it takes a rate of 1*s.* 5*d.*

14,663. But were the reductions of rent on your own farms in greater proportion than the reductions in the assessment of the whole parish?—I am paying less money for rates.

14,664. Then you have had some advantage in that?—Yes; but I should like to say in reference to the rates that we are in rather an exceptional case, because in many places they have an 8*d.* and 9*d.* rate for school boards, and in some places they have heavy rates for sanitary arrangements, either for making provisions for water or for a sewage scheme. We have nothing of that sort in our parish.

14,665. Yours is a purely rural parish where there is a voluntary school, I suppose?—Yes, there is a voluntary school.

Wages.

14,666. Then as regards the labour, have the wages fallen somewhat, or what?—The wages have fallen from what they were. We are low for wages in our county.

14,667. What are your wages now?—From 10*s.* 6*d.* to 12*s.*, they would be.

14,668. When did the fall begin?—It has been a gradual fall, but there has been a fall of 1*s.* within this last year; we have never been above 12*s.* for a long while.

14,669. Comparing the wages of to-day with those of 10 or 12 years ago, what is the fall?—I daresay it would be about that period that they went up to 2*s.* 6*d.* a day, that would be 15*s.* a week, but that was just for the very best men.

14,670. Then the wages have fallen again to 12*s.*?—Yes, on the one farm for which I have given you the figures the labour has been practically about the same, and there is very little difference during the six years that I have taken. This is the table that I have prepared (*handing in a table*).

14,671. (*Mr. Dalton.*) Does that show the profit and loss for the year for the whole farm?—There are items which I have not put in there; for instance, the hay and straw that we sell, and management, I have not put in. That paper conveys enough for the purpose, I think.

Causes of depression. Rent.

14,672. (*Chairman.*) What in your opinion are the causes of depression?—I say the landlords are reducing

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rents; but we say that the rents practically never came down as soon as they should have done, and that the tenants as a class were losing their capital in paying more rent than they really could afford to pay, and of course that has helped to make things worse.

14,673. With falling prices the rents did not come down quickly enough?—No, we should have had to give a 12 months' notice—still I believe in a 12 months' notice—and so it is a difficult thing to get a reduction; and farmers have been living on expectancy, as it were; they have been thinking that we must have touched the lowest and yet it keeps getting lower. If they had given the notice they would be at the mercy of the landlord about the reduction of rent. Many of the farmers were satisfied for a long time with the landlords giving abatements; but those abatements were very unsatisfactory because you did not know how soon they might cease, and you could not get your assessment reduced, and that was against the farmer, too.

14,674. I think you said you held under lease in one case?—Yes, a seven years' lease.

14,675. Did you get abatements in that case?—I have had 5 per cent. abatements on that.

14,676. Five per cent.?—Yes, for two years.

14,677. Then what proposal do you make in that respect; have you any recommendation to make?—I do not see anything to be done in that way; but of course it might be well to have some Court of Appeal to settle rents; in some cases I believe it would be a good thing, not that I believe it would be brought much into requisition, but it might have a beneficial effect indirectly if not directly.

14,678. Has there been any discussion on that question among the farmers in your neighbourhood?—No, I have not heard them say much about it.

14,679. Is there a Farmers' Association in your neighbourhood?—No, we have nothing of the sort.

14,680. And there has been no general discussion?—No. I think the landlords in our immediate neighbourhood have met their tenants pretty well as they have wished.

14,681. They have made reductions, then?—Yes, they have all made reductions, I should think.

14,682. When you say they were not made soon enough do you apply that to your own neighbourhood?—I think in all our cases we ought to have had them reduced sooner. I think we ought to have been where we are now two or three years ago; that is what I mean.

14,683. It seems to me from your evidence that it was partly your own fault, that the farmers were rather expecting better times, and therefore that they did not give notice to quit when they might have done with a view to getting reductions?—Yes; but I am in rather a peculiar position as regards that. For instance, the Exhall Court Farm was my father's for a time——

14,684. I am not talking only of your own case, but you said the farmers generally had not not got the reductions as soon as they ought to have done, and I think you also said that the farmers were expecting better times?—Yes.

14,685. And having been only able to give 12 months' notice they had not given their notices sufficiently early in order to get reductions of rent?—That is so.

14,686. (*Mr. Lambert.*) It is a very serious thing, I presume, for a farmer to give a landlord notice to quit?—Yes, it certainly is.

Bad seasons.

14,687. (*Chairman*). What is the next question that you wish to bring before the Commission as to the causes of the depression, and as to the remedies?—In our division one cause was the very exceptionally bad crops last year in consequence of the excessive dryness of the weather. On the Dunnington Court Farm the yield would not be much more than half what it had been.

14,688. Was the previous year a bad one, too, in point of yield?—Nothing approaching what it was.

14,689. I mean below the average?—It would be below the average.

14,690. But not so bad?—Nothing like so bad as the last one.

14,691. I presume the best remedy for last year's bad season is a favourable season?—No doubt; I quite agree with you there.

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Prices of cattle.

14,692. Now go to other matters?—There are, no doubt, a great many farmers who would lose on the great deterioration in the price of store stock. Many farmers would be obliged to sell their stock because they had no hay, and very little straw to keep them during the winter, and they would naturally want to get rid of them, and would have to take a ruinous price for them.

14,693. That would throw many cattle on the market and would reduce the price for them?—Yes, no doubt. It was a ruinous price for the farmer to take, but he was almost compelled to sell where he was overstocked. It was not so in my case, because we have not been overstocked, and therefore we did not feel the pinch of it as many neighbouring farmers did.

14,694. How did you tide over the difficulty—by buying in food?—No; we have not bought anything except flour. I have a grist mill, so we use mostly flour. We do not go in for cake very much; we buy foreign barley and maize, and use that largely.

14,695. But your neighbours sold out because many of them were overstocked?—Yes.

14,696. And they had to sell out their cattle?—Yes.

14,697. And they got smaller prices in consequence of other people doing the same?—Yes; in fact, I bought some of my neighbour's stock.

14,698. At a low price?—At about 4*l.* when they were nearly two years old.

14,699. You hope to do well by them, I suppose?—They are all gone now, but still they were not of much account to us because everything we had to give them in the way of hay and straw was so very dear that if you take that into consideration there was not much in it even if you bought in at a low price.

Allotments.

14,699*a*. What else have you to speak of?—I do not know whether you want to know anything about allotments. I have laid out about 80 acres in allotments, and 50 acres of that would be held by men in my employ; some of them occupy four acres of land.

14,700. Are they doing well?—They have been doing very well up till now. I, of course, have had to give them an abatement in rent.

14,701. What do you charge them in the way of rent?—I have here a report prepared some time ago. I see from it that there would be 38 acres at 36*s*. an acre, 13 acres at 1*l*. 11*s*. 6*d*., 11 acres at 20*s*., 2 acres in small garden plots at 60*s*., and 22 acres at 27*s*.

14,702. I suppose you pay the rates and taxes?—Yes. I pay all outgoings.

14,703. What do they cultivate on these larger allotments?—It is all wheat, beans, peas, and potatoes, and a few plots of cabbage now and then.

14,704. Still last year they were doing well?—Yes.

14,705. I suppose they had suffered like other farmers?—Yes, but they did fairly well this time. They had 30 bushels to the acre of wheat nearly all round. Practically, I always buy their corn and sell it for them, and we grind it for them. We do their ploughing. We make a point of charging for everything we do.

14,706. How was it that they did better than the larger farmers?—I did not suffer so much in my own neighbourhood because it is a different sort of farm—it is the Dunnington Court Farm where we suffered so much, because it is on the gravel, and it burns up in the hot season. Ours has a stronger, heavier soil, with a marly subsoil, and it did not suffer to the same extent; if you obtain a good plant of corn you get a very fair crop, but it was owing to a very bad plant and the weather drying it up that really made the one farm turn out so badly and the other one where I am living would not turn out so badly, though it would, of course, be at a loss at present prices. That is how I account for their's. If they kept a debtors' and creditors' account their's would show a balance on the wrong side, I have no doubt whatever. They put a lot of overtime in that they do not charge for.

14,707. And they produced large crops in consequence?—We should not call them large crops, but I call them very good crops for the season—above the average for the season.

Depression in 1880 and

14,708. (*Mr. Whitehead.*) I see in your father's evidence before the Duke of Richmond's Commission

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in 1880, he stated that on Lord Hertford's estate there were 2,000 acres unlet; could you say how much is unlet now on the same estate?—I expect there is very nearly the same amount now.

The present compared.

14,709. He said also on Sir William Throckmorton's estate adjoining there were more?—There would not be so much on Sir William's at the present time.

14,710. So that may we say the depression is about the same as at that time—1880?—I should say that the depression is worse, only it is not really felt as yet; I think we have the worst to come.

Reduction of rent.

14,711. You think so?—Yes, I think so decidedly. Of course if the landlord will meet the case in the way of reductions of rents it may in a measure be averted.

14,712. Was there any great reduction in the way of rents immediately after 1880?—I do not remember. I should think there would be an equivalent of 40 per cent. reduction since then including both the later reduction and a former one.

14,713. A gradual reduction, would you say?—Two reductions we have really had—I should think it would amount to 40 per cent. in the two decades.

Fruit growing.

14,714. I think you grow a good deal of fruit in your district, do you not?—We grow currants and plums and apples and pears.

14,715. Has that been profitable latterly?—The currants and plums have done very well, and the apples fairly well last year, but the pears were almost a failure.

14,716. Is that industry increasing?—Yes, it is considerably increasing with us.

14,717. In your district?—Yes.

14,718. Is there room for increase, do you think?—I think so.

14,719. What is necessary—markets at certain points?—It is capital that is really required. In my own case I should plant more, but there is a difficulty in getting the landlords to assist. It is not sufficient, you know, to find fruit trees; it is too expensive a thing to cultivate trees, though I am planting three or four acres out this year. I have found the trees and done everything, and of course I am depending if I give it up upon getting compensation for it.

14,720. Will your landlords not help you in planting trees?—I do not think these would, because they had to take to the property for a mortgage, and therefore it is rather difficult to deal with. They of course want to sell really, and they would be glad to sell.

14,721. Do you think fruit cultivation might be extended profitably to the farmer?—Yes, it is the most profitable thing I have to deal with.

14,722. If facilities were given by the financial gentlemen?—Yes, or if money could be advanced by the landlords to help their tenants; in some cases I believe it would be desirable. The Exhall Court Farm, I should say, is really owned by two owners; that is, the Capital and Counties Bank have about 50 acres, which they want to sell. That would be very suitable for fruit growing, and if anyone could help to advance money for a tenant to buy and he was to plant the trees it would make a valuable property.

Market gardening.

14,723. As to vegetable growing and market cultivation. I think you said that you grow a great many peas?—Yes, we grow about 40 to 50 acres of peas in a year. We send them in the green state to all the various markets, and then I buy 50 or 60 acres as well, so that I generally pick about 100 acres in the course of the year.

14,724. Is that generally profitable?—It did not answer last year as it did the previous year; it did very well the previous year.

14,725. Might market garden cultivation be attended with advantage, do you think?—I should think so; it is being considerably extended. We live not so very far from Evesham, and the farmers competing with the Evesham gardeners, the Evesham gardeners find that they do not get so much profit out of their things. We have 15 acres of cabbage this time; that is a crop that competes with them, and we can grow it much cheaper than they can, and if it is not marketable we can consume it with the sheep, whereas they can do nothing with their cabbage if they do not sell it.

14,726. Would you think that fruit-growing and vegetable-growing might be in some degree remedies for the agricultural depression?—No doubt it meets it to a certain extent.

14,727. And would not be likely to be much overdone?—I think it may be overdone.

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14,728. That is the danger, is it?—Yes, that is the danger, I think.

Railway rates.

14,729. With regard to railway rates, do they affect you injuriously?—I think not. I do not think that you can expect much alteration in these. They give us very fair rates, I think, if we are sending stuff a distance, and we can make up a fair quantity to send. It is on the small lots where you get handicapped, but if you can make up a two-ton lot to Manchester or Leeds, or Liverpool, or any of those places they take it at a very fair rate. It is in the smaller lots that the difficulty is, but I do not think you can expect them.

14,730. To take them at lower rates?—No. I do not think you can expect the companies to take these smaller lots at lower rates.

Landlords and tenants.

14,731. (*Mr. Clay.*) I think you said the landlords have met their tenants fairly in the depression?—I think they are doing so in our neighbourhood, so far as I can speak locally.

14,732. As a rule did they realise the depression soon enough to save the tenants?—No. I do not think that it was realised soon enough for the farmers.

14,733. Have they realised it fully yet?—I think they are beginning to realise it now; I think they are forced to realise it because they are farming land themselves, the land that they have in their own occupation, and I believe they get nothing out of it, so that they must see the necessity of reducing it to the tenants, and they do it, no doubt, in a great measure to avoid having land thrown on their hands.

14,734. As far as you see, is it your opinion that the land will be decreased in value?—I am afraid it will.

Notice to quit.

14,735. You were asked about a tenant giving notice: it is rather a serious thing to give notice to quit a farm, is it not?—Very; I think so.

14,736. From your knowledge and experience have you known that a landlord will often give a new man a deal more than he will give the old one?—No; I have never known it done.

14,737. (*Chairman*). I understood you to say that the notice to quit in your neighbourhood generally being 12 months, there was a long interval within which they could not give notice, and therefore claim reductions of rent?—Take it from the last September; the moment the 29th of September has gone you cannot give up that farm for two years. Last September we might have thought "Well, there "is a very short crop of wheat, we shall surely have a better price before next harvest comes round," and therefore we say we will wait and see, but then in waiting to see you allow the day to go by and you are tied to that farm for two years, so you are quite at the mercy of the landlord.

14,738. Of course the notice to quit is the engine you have for getting a reduction of rent?—Yes, that is it; if you cannot put the screw on in that way you are handicapped.

14,739. If all the tenancies require 12 months' notice to quit in your neighbourhood you are at a certain disadvantage, I understand you to say?—Yes; for instance, I have one farm on which I have only six months' notice to quit, but then I did it at my own choice. The former lease I had on that farm was for 12 months' notice. It was a glebe farm, and there is this difficulty in a glebe holding: if I were to give notice to give up a glebe farm, and there was no successor, no occupier, and the rector was not in a position to take to the farm, the consequence is that I have no one to pay me for my valuation; it is very awkward holding under a rector.

14,740. (*Mr. Lambert.*) But that is not a usual case at all?—It is an exceptional case, but it is a case that might be, and I thought it was very probable in this instance.

14,741. (*Mr. Clay.*) Is it your opinion that six months would be better than 12 months' notice to quit?—No, I would rather have 12 months' notice in spite of that.

14,742. Then what is your objection to the 12 months?—It depends whether you are very fascinated with your farm or not, and do not want to give it up. I did not want to give it up, but that one farm I should very much prefer at a six months' notice, because in the case of a rector resigning a living I have got to treat with a new landlord, and therefore I

should rather be in a position at a shorter notice whether I would quit it.

14,743. This is a very exceptional case?—Yes, that is a very exceptional case, and that is why I prefer six months' notice.

Farm accounts.

14,744. (*Mr. Dalton.*) Have you kept profit and loss accounts on your farms regularly?—I have on one farm and not on the others, for the simple reason that I have two sets of steam tackle that are always out at work, and a grist mill where we grind for other people, and dealing in fruit and vegetables and peas I could not present an account of my own farm.

14,745. You have not kept an account of the one that is most profitable, I suppose?—Yes, I have.

14,746. Is the one of which you have kept an account the best?—That is the best farm.

14,747. Would that show a profit?—Yes, it would show a profit on the six years.

14,748. A considerable profit?—A very fair profit. It shows a loss on the last year of quite 400*l.*, but taking the six years it would show a profit.

14,749. With reference to this land that was taken on allotments, do you rent that?—I rent it, and sublet it.

Allotments.

14,750. There is a profit, I suppose, on the subletting of that?—The rents are considerably higher than the average.

14,751. Is it better land than the rest of the farm?—Yes, they picked the best of the land. I should be paying about 24*s.* for that, and they have to pay 36*s.*, but then I have all the charges to pay on it.

14,752. You do not consider that you lose by it, I suppose?—No, I think it is about a fair thing between us, and the men are satisfied, and I think I am satisfied.

14,753. Is it worked by the men entirely as overtime?—No, we let them off when they want to go to do their work. The allotments work very well, but the system will only work when the master and the men work together.

Markets.

14,754. (*Mr. Lambert.*) You are pretty near good markets, are you not?—I do not know which you would consider good markets; Birmingham is not often a very good one.

14,755. I mean to say for the sale of milk, fruit, and suchlike small produce?—We sent a lot of our fruit last year to Glasgow and Manchester.

14,756. Why, what was the cause—that it would fetch better prices in Glasgow than it would in Birmingham?—We sent fruit to Glasgow last year that made 12*s.* a pot, and plenty of the same sort sold in Birmingham at 6*s.*

14,757. What was the cause?—I do not know; one market is so much better than the other; that is the only reason I have had 3*l.* or 4*l.* extra on one consignment of goods sent to Glasgow over any other market.

14,758. But you cannot give any reason for that discrepancy?—No, I cannot give any reason.

Wages.

14,759. You said the wages in your district were 12*s.* a week?—Now they would not be; they would be 10*s.* 6*d.* up to 12*s.*, or 13*s.* for the stock men.

14,760. Would there be any privileges for the men in addition?—No.

14,761. They would only have 10*s.* 6*d.* to 12*s.* or 13*s.* clear?—The cowmen and the carters would get their cottage; of course they all get cottages; I have a dozen cottages in the village.

14,762. Do you charge them rent for those cottages?—Those that do not see to the stock.

14,763. I want to know what is the clear wages that your men get, irrespective of all those things?—The carters would get 13*s.* a week and their cottage.

14,764. And the ordinary labourer?—10*s.* 6*d.* and 11*s.*

14,765. And his cottage?—No, not his cottage, not the ordinary labourer.

14,766. So the ordinary labourer has to work for 10*s.* or 11*s.* a week?—Yes, and he has a cottage at four guineas a year, with a good garden to it in every case; he gets his rent out of his garden, as near as possible, every year.

14,767. How large would the garden be?—A quarter of an acre nearly, I should think.

14,768. Are those the allotments that you were talking about?—No, that is independent of the allotments altogether.

Allotments.

14,769. Do you find that the allotments are appreciated by the men?—Yes, you may know that by this: I have 80 acres, and there is not an acre void, and I have two or three ready to take land now.

14,770. You said just now that you had some allotments of the size of four acres; do you find that the men cultivate those allotments properly?—Yes.

14,771. What do they usually grow on them?—Wheat, peas, beans, and potatoes.

14,772. How do they manage the cultivation?—They get it ploughed at so much an acre; they get it planted at so much an acre, and then they hoe it themselves.

14,773. And you find that that adds considerably to their means of livelihood?—Yes, it does, no doubt.

Wages.

14,774. I suppose men could not live on 10*s.* 6*d.* or 11*s.* a week, if they had not some other resources to fall back upon?—I do not know. There are plenty that have to.

14,775. What is the reason that wages are so very low in that district?—I do not really know, unless it is that labour is plentiful; but they are not worse off now than they were when they were receiving two or three shillings a week more money.

14,776. My point is this: in a great many districts men are getting 18*s.* a week?—I know they are.

Land courts.

14,777. Just now you suggested conciliation courts to settle rents; have you formed any idea as to how that could be carried into effect?—No, I do not know how it could be, unless there was someone appointed as a referee to settle disputes. I think the very fact of there being a court of that sort would make the landlord and tenants practically agree to some compromise, and to settle their own affairs.

14,778. You think that the moral effect of such a court would be very beneficial?—Yes, I think so.

14,779. Have you any instances in which farmers in order to get reductions of rent have been obliged to give a notice to quit?—Yes, I know of one case.

Notice to quit.

14,780. And have farmers been obliged to quit owing to excessive rent?—I do not know of a case in which they have actually quitted.

14,781. But they have had to give notice in order to get their reduction?—Yes

14,782. And to give notice to quit a farm with a great probability that he will have to quit is, I presume, a very serious matter for the tenant?—Very, I think.

14,783. How much would you say it would cost a tenant to change from one farm into another, putting it at an estimated per-centage upon his capital?—I have never really gone into that question so as to be able to answer it. It involves so much because it altogether depends upon what sort of farm you are going into. For instance, if you gave up one farm of a certain class and you were obliged to take another which was a totally distinct class of farm.

14,784. There would be a considerable loss?—Yes, there must be a loss.

Demand for farms.

14,785. Is there a good competition for farms in your district?—For just the very best farms there are plenty of tenants to be found, but not for the second-class farms.

14,786. What is the most lettable size for a farm?—I think a small farm would be more likely to let now.

14,787. About what size?—I should say anything from 50 up to 200 acres.

14,788. How many applicants would you probably get for such a farm?—I do not know about that at all.

14,789. What would be the rent of such a farm?—You would have to take about 1*l.* an acre, I expect.

14,790. What would be the proportion of arable or pasture?—They generally average, as near as possible, about one-third grass and two-thirds arable.

Local taxation. Highway rate.

14,791. I notice that you have not put down any remedies for agricultural depression; what should you suggest as a remedy? Have you thought the matter over at all?—I think the question of taxation is one thing that might be dealt with, though I have already stated that our rates are not more than they were, and I am not paying more; still, it does not seem to me to

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be fair that, for instance, when the turnpikes were abolished they should be immediately thrust upon the rates, and I think some means should be devised whereby those who employ the roads should pay part of the expenses in connexion with them.

14,792. You may be aware that there is a large Imperial subvention at the present time?—Yes, but it does not come to save our pockets; for instance, in my own parish of Exhall, we have not a foot of main road in the parish, yet we have to pay towards all these main roads in the county rate.

14,793. Yes, but then yours would be an isolated instance?—There are plenty of cases where it is the same.

14,794. Why have you not main roads?—Because we do not happen to be on the main road; we have to pay the whole of our own rates—at least I am not correct in saying that, because in the last two years we have had a subsidy from the county council towards our roads, but up to then we were doing so.

Tax on horses.

14,795. Have you any other suggestions?—The wheel tax did not go down, but I cannot see why there should not be a tax put upon horses, or rather upon those that use them.

14,796. Do you mean all kinds of horses?—Yes.

14,797. Agricultural horses?—Yes; it is a tax that would be easily collected—collected in the same way as you collect your other taxes, such as the dog tax.

Sanitary rate.

14,798. Have you any other suggestions?—There is the question of the sanitary rate and those rates that may be thrown upon lands; there is a very heavy burden in many places in that direction.

14,799. Are you aware that the land bears one quarter?—Yes, I am vice-chairman of the board of guardians, and we have two or three cases now before us. For instance, there is quite a rural parish called Wincot, where we have before us estimates now for a drainage scheme of 1,100*l.* to 1,300*l.* That will be a very heavy thing on the land, even if they only pay one-fourth, because there is very little building property in that parish.

14,800. What do you propose?—I have not made a proposition as to how it should be raised, but I do not think it seems right that the land should bear it all, unless it is born equally between the landlord and the tenant.

Protection.

14,801. Except the local taxation have you any other remedies to suggest?—Many of the farmers—I suppose I should speak for them—indeed, I may say nine-tenths of the farmers believe in Protection. Many of them go in for Protection pure and simple, many of them believe that all foreign manufactured goods should be taxed, and some believe that foreign flour should be taxed, and some believe in the duty being put on the malt again.

14,802. What is your own opinion upon that subject?—My own opinion is that it would be beneficial to the farmers as a class, but on principle I should object to it. I do not think it is a correct principle.

14,803. Would the state of the agriculturists generally during the times of Protection be an incentive for Protection?—No; they, of course, only think that it is going to send up the prices; that is their argument, and their only reason for wishing it.

Rates.

14,804. You said just now that rates sometimes have a tendency to increase owing to sanitary improvements being made?—Yes, they do increase.

14,805. Would you advocate a division of the rates between landlord and tenant?—Yes, I think it would be only fair.

The Agricultural Holdings Act.

14,806. Have you any opinions upon the Agricultural Holdings Act, or for further compensation to the tenant on quitting his farm?—No, the agreements that I have are very liberal indeed; we get full compensation for everything. There is only one clause in the agreement that I object to, and that is the one clause that mentions that we are to bring back an equivalent for everything that we grow in the shape of hay, straw, roots, and it goes on to mention potatoes. Under the new system of farming which is in vogue now we plant a considerable quantity of potatoes, and it would be a very heavy thing for a tenant to have to bring two-thirds of what he makes on his potatoes back on to his land.

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14,807. Do you think that the compensatory clauses of the Agricultural Holdings Act are sufficient to meet the present case?—I really do not know enough about the Agricultural Holdings Act to be able to answer that question.

Ground game.

14,808. Upon the question of the ground game have you any difficulty in that respect in your district?—Only immediately under the woods we have permission to kill rabbits. On the Exhall Court farm I have the right of shooting all the game. I take it with the farm.

14,809. Do you regard the right of shooting as being beneficial to the tenant?—Yes; we shoot hares and rabbits both.

Reduction of rent.

14,810. (*Mr. Channing.*) Do I understand you to say that reductions of rent cannot be got, in your experience, without giving notice to quit?—No, I do not say they cannot, because they have been, you know, lately got; but I say there has been this difficulty of getting reductions of rent, and that reductions of rent were not got soon enough. I think it was mentioned by some one that it was our own fault that we did not get these reductions, but we cannot get them. Our only alternative way of getting the reductions sooner was to have given notice sooner, and to have brought pressure to bear upon the landlords in that way. I think the landlords are meeting the tenants fairly well.

14,811. Your main point, I understand, is that the reductions were not made soon enough?—No, the reductions were not made soon enough, and thus the farmers as a class lost their capital in a great measure.

14,812. They have been paying away their capital in the form of rent very largely?—Yes; it is a very serious matter in going to a farm that you have a heavy valuation to pay; that takes a lot of the farmers' capital. If in any way the landlord would say he would let it be, it would be a great help to many of the farmers.

Allotments.

14,813. I will ask you one question about these allotments. You said they had the best of the farm; how is that? Is it by your own choice, or by the landlord's choice or how?—It was in my own hands entirely in letting this land; it was immediately adjoining the village, and of course they had it there—that is, the main portion of it.

14,814. Was that a serious detriment to your own farm?—No; I should not have let them have it if I had had any objection to it, because it was my own doing quite.

Low prices.

14,815. (*Mr. Everett.*) I understand you to say that the low prices are the main cause of such agricultural trouble as there is with you?—Yes, and of course the bad season combined with it last year helped. The low prices, I think, is the question that really stares us in the face, and that is the serious question for us to deal with.

14,816. You are under the impression, I think, that the farmers have not worked out the evil effects that are yet to come even if they stand where they are?—I do not see how they can have done so. The second half year's rents are paid in July generally, and the question is how the farmer is to get the money to pay this next half year's rent. If they have not the money do you not think it is very likely that the landlords will meet them and let the rents run on?

14,817. You expect to see great losses in the next 12 months' for instance?—Yes; I think it is a mistake for the landlords to allow tenants to go on when they cannot pay their rents; that is my impression about it, but I know they do do so.

14,818. In your view a better price is the remedy that would most meet the circumstances?—I think with better prices the difficulty would be met.

Notice to quit.

14,819. (*Mr. Chaplin.*) You were asked just now how much it would cost to change from one farm to another; does not that depend entirely upon the circumstances under which the change is carried out?—Entirely it does.

14,820. Under favourable circumstances, would it necessarily entail any cost at all?—Well, it is possible that it might not.

Tax upon horses.

14,821. With regard to your proposal for a tax upon horses, I think you said it was to be a tax upon all horses, including agricultural horses?—Yes.

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14,822. Do you know that the farmers in your district breed horses; is that not part of their business?—Not as a rule; they only breed enough to keep their stock up and so that they can sell one or two off a year.

14,823. Do you not think that a tax upon any part of their stock would be very much resented by the great generality of the farmers?—Not if they had the money back again in the way of relief of taxation. I do not know; of course if they do not have the money back again it might be.

14,824. If you tax a farmer's horses which he breeds is there any reason or principle why you should not tax his beasts or his sheep?—I should only tax those which work. I should not tax horses until they get to work.

14,825. Then you do not mean to tax all horses?—No, only those who use the roads.

14,826. You modify your statement as far as that?—I did not mean it in that sense.

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14,827. I thought there must be some mistake. What you want then, as I gather, is rather to revert to the principle that was carried out under the turnpike system, that those horses who use the roads should pay for them?—Yes.

14,828. That is what you mean by a tax upon horses?—Quite so.

Notice to quit.

14,829. (*Chairman.*) I suppose that if there is an expense on the part of the tenant on changing his tenancy there is also expense thrown upon the landlord?—In all probability there would be, because he would have to do the buildings up a bit, and spend a little extra money. Of course one man going out of the farm house and another coming in it would necessarily follow that the landlord would have to paint and paper and do up the house, so that it would necessarily mean an expense.

14,830. Therefore it would be better for both sides to remain as they are if they can?—Yes.

The witness withdrew.

Adjourned to Thursday next at 12 o'clock.

Twenty-sixth Day.

Thursday, 5th April 1894.

PRESENT:

The Right Hon. GEORGE JOHN SHAW-LEFEVRE, M.P., in the Chair.

Viscount Cobham.
The Right Hon. Henry Chaplin, M.P.
Sir Robert Nigel Fitzhardinge Kingscote, K.C.B.
Robert Giffen, Esq., C.B.
Charles Isaac Elton, Esq., Q.C.
Captain Owen Thomas.
Francis Allston Channing, Esq., M.P.
John Clay, Esq.
Cornelius Neale Dalton, Esq., C.B.
Robert Lacey Everett, Esq., M.P.
John Gilmour, Esq.
George Lambert, Esq., M.P.
William Cutlack Little, Esq.

Herbert Lyon, Esq., *Secretary.*
R. F. Crawford, Esq., Freeman Thomas, Esq., *Assistant Secretaries.*

Mr. Frederick Punchard called and examined.

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14,831. (*Chairman.*) You have been for 28 years agent of the Underley estate in the south of Westmoreland and in the adjoining parts of Yorkshire and Lancashire?—Yes.

14,832. You have also held agencies in the counties of Oxford, Warwick and Northamptonshire?—Yes.

14,833. Are you also trustee for a small estate in Essex?—Yes.

14,834. You have acted in various capacities under the Agricultural Holdings Act?—Yes.

The Underley Estate.

14,835. What is the size of The Underley estate in Westmoreland?—It is about 24,350 acres—that is in the three counties.

14,836. How much of that is in hand?—About 600 to 700 acres are in hand, exclusive of the woods.

14,837. How much is actually let, about 22,400 acres?—Yes.

Depression in Westmoreland.

14,838. Has that part of Westmoreland suffered from the depression of agriculture?—Only recently.

Reduction of rent.

14,839. When did it date from?—We reckon that the depression began about 1876, but it was not appreciated in the shape of reduction of rents until about 1882. From 1876 to 1882 the depression took rather the form of checking the rise in rents rather than leading to any reduction; they had been going up steadily up to that time; then they were checked; then in 1882 the first reductions began.

14,840. Have they continued since then?—They continued more or less. In 1883 there was a still further reduction. Then, for a couple of years, in 1888 and 1889, if there were any farms to relet that had been reduced in 1882, they were let at a trifling increase—the times were slightly better.

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14,841. In 1886?—In 1886 and in 1882 there was a general reduction all round.

14,842. In 1882 there was a general reduction, but since then?—In 1892 there was a general reduction.

14,843. 1892, not 1882?—1892 was the most general and the largest reduction.

14,844. Up to 1892 were things stationary from 1883 and 1884?—Hardly that, because in 1886 there was a reduction. Then they went up again slightly.

14,845. When you say they went up again do you mean that the farms which were relet let at a somewhat increased rent?—Yes. I have instances of farms which were reduced in 1886 and came to be relet in 1888 and 1889, and they were relet at 5 or 10 per cent. more.

14,846. You mean on reletting?—Yes.

14,847. I presume on those that had tenants in possession the rents were maintained as they were?—Yes.

14,848. It was only on reletting that it showed itself?—That was all.

14,849. I observe from this return that you have put into my hands that in 1879 20,600 acres were let at 23,400*l.*?—Yes.

14,850. In 1882 21,000 acres were let at 24,000*l.*; then apparently in 1886 there was a reduction when 22,000 acres were let at 21,000*l.*?—Yes.

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14,851. In 1890 22,500 acres were let at 22,000*l.*, and in 1892 22,400 acres were let at 20,000*l.*?—Yes.

14,852. So that there has been a reduction in the last year, 1892?—In 1892 there was a material reduction.

14,853. Now was that a reduction made all round?—On this estate it was, and I might say generally throughout the county.

14,854. Was that an abatement of rent, or was it a permanent reduction?—In our case it was a permanent reduction for three years.

14,855. Not a permanent one?—It is a reduction for three years with every chance of its being permanent, of course.

14,856. What was the per-centage?—It varied very much. Our farms have been unequally let. Some of them had remained unaltered from 1865, and others again that we had bought had been put up to their highest letting value for the purposes of sale, and you can understand that in those cases there was a difierent rating or letting rate. And so in 1892 when there was a general application for a reduction of rent, I asked each tenant to come to me separately. I said, "Come " to me and I will trace the history of your rent, and I " will deal with you according to what the landlord's " outlay has been, the condition of your farm," and so on. So I dealt with each man, and the per-centages varied very much.

14,857. Has the tithe rent-charge been always paid by the owner?—Yes, since 1865.

Expenditure on improvements.

14,858. Has there also been much expenditure on improvements?—Yes, there has been a continual expenditure during the whole period.

14,859. What is the average?—I believe that taking the whole period, that is the 28 years, our expenditure has been 174,000*l.* altogether, made up in this way: buildings and repairs, 130,000*l.*; draining and fencing, 32,000*l.*; then there were allowances and compensation for unexhausted improvements, 12,000*l.*; that was a total of 174,000*l.* in the 28 years.

14,860. 130,000*l.* I think you said was for buildings and repairs?—Yes.

14,861. Can you separate the new buildings from repairs?—No, I tried to, but I am afraid I cannot at all.

14,862. Does it include a large annual amount of repairs on individual farms, or have you only repaired them when you relet the farms?—There is a certain per-centage of annual repairs, and then in addition there have been a considerable extent of new buildings.

14,863. Then the rents now have declined to the level of 1865, except in some instances where the landlords' improvements have raised the letting value permanently?—In some instances they are about 10 per cent. below 1865.

The Underley Estate.

14,864. The Underley Estate was formed out of the purchase since 1831 of numerous local statesmen or yoemen, was it not?—Yes.

14,865. Is that process of aggregation in the district still being carried on?—Still going on, though not to the same extent as it was. One reason is that there are not so many properties to offer: another reason is that the larger landowners are getting tired of it. They find such a poor return from their investment that they are not giving the same prices that they did.

14,866. Is the Underley estate being extended in that way?—Only where there is a gap to fill up, that is all.

14,867. Then the present rental may be taken at about 20 per cent. less than in 1884?—Yes.

Prices of cattle and dairy produce.

14,868. How has the depression shown itself; has it been in the low price of cattle?—Yes; it is chiefly the low price of stock of all kinds, and also in the lower price of dairy produce.

14,869. I suppose it is mainly a dairy district?—Ours is a dairy and a breeding district, and any stock that we have to go off goes off not to the butcher but to the dealer.

Present position of tenants.

14,870. With the reduction of rents, are the tenants now able to hold their own?—Yes, they are doing very well; they paid much better this last rent day than they did the rent day before.

14,871. Have there been considerable arrears on the property or not?—Not very much.

14,872. Not much?—No.

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14,873 When farms are to let do you find applicants for them?—Plenty.

Demand for farms.

14,874. No lack of them?—No lack at all. Of course, the larger the farm the less the number of applicants, and the smaller the farm the more the applicants; but we have had no difficulty at all. We have never been without half a dozen applicants for any farm that has been to let.

14,875. Men with sufficient capital?—Yes.

14,876. What amount of capital do you generally look for?—We do not expect more than about 6*l.* or 8*l.* per acre.

Number and size of holdings.

14,877. What size do the farms generally run there?—Ours vary very much, and they vary very much in the districts. If you get near to the mountain or Fell districts the farms are larger in area, because they have a large portion of the mountain land let with them, but in lower districts the case is different. I have a return here of the number of holdings we have. You will see we have the largest proportion, between 100 and 300 acres, and we have only 14 farms above 300 acres.

14,878. Have the sizes of the farms been increased since the purchase of the property by the aggregation of yeomen statesmen?—To a certain extent. We have tried to avoid it as far as we could. We have tried to maintain the small holdings, and whenever the house and the buildings would allow of it, we have done so, but whenever we have come to the time when a house requires considerable outlay we have been obliged to give it up and throw the land to the adjoining farms.

14,879. In that way has there been a considerable reduction in the number of farms on the estate?—Not a considerable reduction; there has been a reduction, but I would not say a considerable reduction, because we have aimed at keeping the small holdings as long as we possibly could. Still, there has been a gradual reduction of number.

Small holdings.

14,880. It was Lord Bective's policy to maintain the small holdings?—Yes, he always wished that.

14,881. There is more competition for the small farms than for the larger ones?—Yes.

14,882. Are they generally let at a higher rent?—Yes, they are let at a higher rate per acre.

14,883. Having regard to the landlord's extra outlay in repairs for maintenance, I presume that the return in respect of those small holdings is not equal to the return of the larger ones?—I do not think it is equal to the return on the larger ones.

14,884. Not equal?—No.

14,885. If you take into account the landlord's outlay, that is?—Yes. In the case of small farms the landlord has to do a much greater proportion of the repairs than he does on the larger ones. The little men cannot afford to do very much, and therefore the landlord has practically to maintain the whole of the buildings.

Large and small farms compared.

14,886, Have the smaller farmers stood the depression better than the larger ones?—They have stood it fairly well, and they have paid their rents quite as freely as the larger men, but it has been a question of capital with them. Those that have had sufficient capital have done quite as well as the larger men, but you can understand that the men of smaller capital have, of course, suffered very much more. One can see that the farms are gradually getting poorer, and that is the case almost throughout the whole district.

Yeomen farmers.

14,887. Are there a certain number of yeomen farmers in the neighbourhood still—men owning their own land?—Few.

14,888. Few?—Yes, they have disappeared rapidly of late years. A great many of them went out in the seventies up to 1880, when land was selling so well—they were tempted by the high price that land was producing, and they sold out.

14,889. Did they remain as tenants in their former holdings?—In many cases they did, and in many cases we have still the descendants of the original owners on the property. I believe, myself, that they are doing better as tenant farmers than they were as statesmen or owners, especially when the time came that their properties were mortgaged for family purposes and so on.

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Yeomen and tenants compared.

14,890. Do you consider that those who are still owners of their holdings have suffered equally with those who have been tenants?—Quite as much.

14,891. I presume in some respects more so if they are mortgaged?—Yes, they have; certainly quite as much.

14,892. I presume they continue to pay the same interest on their mortgages?—They are paying more on the mortgage than they would pay to the large landowner. You see they borrowed upon mortgage at 4 per cent., and these larger landowners cannot buy at more than about 2½ or 3, which is the outside that the land now produces. I say that a man can rent somebody else's land at a lower rate than he can own it.

14,893. Mortgaging three-fourths of its value, I presume?—Yes.

14,894. The interest on the mortgage at three-fourths of its value represents more than the rent?—Yes.

14,895. Has the depression affected those people equally with the tenants?—Quite as much.

The Agricultural Holdings Act.

14,896. What is your experience of the Agricultural Holdings Act?—We have found it work fairly well in our district. It has been generally adopted—or if it has not been adopted, it has led to fixed scales being arranged and acted up to. A great many cases now are settled under those fixed scales, and the public hear nothing at all about them.

14,897. Without litigation?—Without litigation.

14,898. And not under the Act?—Notice is given generally under the Act, and then the parties have agreed to refer it to some one or other, who is looked upon as an authority on the scale, and in many cases they are now left to a single referee.

Tenants' improvements.

14,899. Do the tenants on the estate do much in the way of improvement on the land themselves?—Not in permanent improvement; they do in the way of artificial manures and purchase of feeding stuffs, but not in the way of permanent improvement in the shape of draining or building, or anything of that sort.

Drainage.

14,900. They have never effected any draining?—No, very little indeed.

14,901. Occasionally?—Occasionally they have.

14,902. If a tenant requires the land to be drained, and gives notice under the Act, would the tenant be allowed to drain, or would the landlord do it himself?—I think he would do it himself, but we have never had notice under the Act at all. Men have come to me and said to me they would like a field drained, or something of that sort, and I have had to consider the circumstances of the farm, and have decided as to whether I will do it or not, and whether I charge him interest or not. Since 1882 we have not charged a penny interest for drainage at all, but in some cases where we thought the man has been rather low rented I have said, "I will give you the pipes if you will pay for the labour," and that has been done. In other cases, again, I have drained the fields by way of maintaining rent rather than anything else. A man has said: "Now I want my rent reduced or I want the field drained," and I have preferred to drain the field to reducing his rent.

Notice of claim under the Act.

14,903. Is there any alteration in the Act that you would recommend?—I think it would be an advantage if the time for giving the notice of claim was extended to two or three months beyond the determination of the tenancy for this reason. I think that that would enable both parties to know what their claims would be, and it would give them both an opportunity of settling the matter without any reference to the Act at all. I believe myself that that would work very favourably. Of course, the landlord would still have to have an extended time for giving his notice of claim, or else he must have the right to set the Act in motion—I do not care very much which it is. I think, in that respect, an extension of time would be an advantage.

Arbitration.

14,904. Can anything be done to lessen the cost of arbitration?—I think if farmers would agree to refer to a single referee it would be better, and I think they might do that now, because the rate of compensation is generally fixed or adopted throughout the district. All the valuers know what the rate is, and I think that now farmers might very well leave their case in the hands of a single referee, and that would considerably reduce the expense.

14,905. I presume, generally in the past they have each selected an arbitrator, and that then the two arbitrators have chosen an umpire?—Yes.

14,906. And that introduces three persons into the inquiry?—Yes, it does; it adds very much to the expense.

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14,907. And I suppose each of the three requires payment?—Yes.

14,908. That, in fact, is one of the main causes of the expense?—Yes, it is.

14,909. You think that by employing a single referee that saving would be effected?—I believe it might. I believe that Act has a good effect in the majority of cases. I will not say that where it comes to a question of legal definition of a clause in the Act, or anything of that sort, it might then be necessary to have the advice of two or three, but in 99 cases out of 100 I am quite sure that a single referee would give quite as fair an award as the three now do, and at considerably less expense.

14,910. Would you go so far as to lay down under the Act of Parliament that a single referee should be selected?—No, I think you must leave that to the people's own wish. If people are disposed to go to law and to quarrel, I am afraid we cannot stop them. I quite admit that it has been the practice on the part of some landlords to run up the expense with a view to checking claims, but that has not been general.

Landlord's consent to permanent improvements.

14,911. What is your view as to the proposal to abolish the landlord's consent for the permanent improvements?—I think that would do a great deal more harm than good, for this reason: that it would take away the landlord's interest and the control over his property, and he will then begin to think, "Well, I "might as well have all I can get out of it while I "have it." I believe that in that respect it will do a lot of harm.

14,912. Do you think the landlords would be unwilling to effect improvements generally upon their properties?—I do not think they would object to do the improvements on the terms laid down in Mr. Channing's Bill; in fact, I believe that they are ready now at any time to carry out improvements upon those terms, but the difficulty is to find the tenant who will agree to those terms. No tenant will come to you now and say, "I will give you 4 per cent. if you will put me "up a new building," or, "I will pay the rent-charge "upon either a new building or drainage." They cannot afford to do it. As I understand it under the scheme of Mr. Channing's Bill that is the course. The tenant is to give notice to the landlord that he requires to do these buildings or the drainage—the drainage is under the Act at present—at any rate, to do the buildings and the other permanent improvements. Then the landlord can decide for himself whether he executes those improvements or not; if he executes them the tenant is bound to pay this interest of 4 per cent., or an annual rent-charge on the basis of the Improvement Companies' rent-charges. I do not think you will find the tenant at the present day that will give you notice to that effect, so that, so far as that portion of the Bill is concerned, I am quite sure that if it became an Act of Parliament it would be a dead letter. Then, still further, I think that the tenant would find that the cost of the improvements is so much greater than the returns that in the end he would be out of pocket, and he would very soon get sick of making the improvements.

Compensation for improvements.

14,913. Then with regard to the proposal for compensation to the sitting tenant in the event of a rise of rent, I think you fix the standard of his farming at the time that you first compensate him?—If he has got his farm up to a very high state and condition and he is compensated for it, that fixes the standard for the rest of his tenancy. If he does not farm up to that standard he ought in justice to repay the landlord for the deterioration. Of course if the plan is followed which is adopted now in the majority of cases, that is, I mean the incoming tenant paying the compensation for manurial improvements, I do not see where the benefit to the sitting tenant is going to be, because he would have to pay it himself. But if the landlord paid it I say that that fixes the standard of farming, and that the landlord must be entitled to compensation if the farm is deteriorated at the time that the tenant gives it up.

Free sale of improvements.

14,914. Then with regard to the proposal for the free sale of improvements, what is your view?—I think that would convert the landlord into a rent charger at once, and it puts an end to his improvement of the estate, because you cannot separate the tenant's improvement

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from the landlord's, and you cannot sell the one without selling the other. I think the moment you convert the landlord into a rent charger you destroy his interest in the estate and he does nothing for it.

14,915. The tenants in your view then, I presume, would have to bear the cost of maintenance of the farm? —Undoubtedly they would in that case, which at present, in our case, the landlord pays.

14,916. And he would find the investment is not a much better one than it has proved in the past?—He would find it not so good.

Freedom of cropping.

14,917. Then with regard to the freedom of cropping, what is the practice on the estate?—Anybody who can be trusted with it can have it; in fact it is practically provided for in the lease that if they do sell their crop off they return a certain quantity of manure or make an allowance for it. But any man who can be trusted with it can have it at any time. It would be a very dangerous thing to put into the hands of many farmers—a very dangerous thing.

14,918. Is it the habit to give freedom to many of the tenants? — Yes, a good many of them, but generally they do not want the freedom of sale, because they consume nearly all that they produce. It is only when they are thinking of leaving that they ask for permission. During the last two or three years of a tenancy a man begins to want to sell, but except at those times they do not care to sell. Of course we are not near a large town or not sufficiently near a railway station to make it worth while to sell the hay or the straw off.

14,919. I suppose there is not a great deal of straw grown in the district?—No, we buy a great deal more than we grow.

Law of distress.

14,920. Then with regard to the law of distress what have you to say?—I do not see how the abolition of that would be a benefit to the tenant. It would be a benefit to his creditors I have no doubt, but how it is to benefit the tenant I do not understand. At present it enables the landlord to give him credit at times when credit is of value, which he perhaps would not do if it were not for the law of distraint. But beyond that I do not see what advantage it is going to be to the tenant to abolish the law at all.

Protection.

14,921. Then with regard to the remedies for the depression, what is your view?—I am afraid that there is no general remedy that can be suggested. We know that protection, which is hardly to be mentioned, might raise the price of agricultural produce, but then it is entirely out of the question. I do not think any member of Parliament dare get up now and move that protection be reinstated. It is just possible that if the working classes will go in for protecting every manufactured article then they might with it allow a protective duty on corn and so on. With that exception I do not think that we can expect anything from protection.

Rates.

14,922. Then with regard to the rates?—There is a strong feeling with us that land bears more than its proper share of local rates, and that it is much higher assessed in proportion to the profits than commercial premises are. If you take the case of a farm which is rented at 50*l.* a year, and compare the profits from that with a house and shop which is rated at 50*l.*, there is a very considerable difference, in favour of the shop of course, but they both pay the same rates.

14,923. Do you consider that ultimately the rate falls upon the landowner?—Ultimately it may do so.

14,924. It is considered that the amount of rates is taken into consideration when the farm is let?—If the local rates have been high there has been a trifling reduction of rent, but the value of the farm is generally taken on the assumption that a certain proportion of the rates must be paid, that is all. No doubt it is a landlord's question.

14,925. Have the rates increased in your district or no?—No; I should say on the whole that the gross amount is reduced.

14,926. What do they average in the £?—The poor rates will average about 1*s.* 2*d.* in the £ and the highway rates have been about 4*d.*

14,927. Is that the total?—Yes.

14,928. 1*s.* 6*d.* in the £?—Yes, that has been about it.

14,929. They have been maintained at that rate?—Yes, after the Local Government Act came into operation they went down for two years, now they are getting up again because the County Council is spending rather more money, and is demanding more rate.

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14,930. How much did they go down?—They went down something like 2½*d.*

14,931. Then the amount is not heavy in your district?—No, the amount is not heavy.

14,932. Have the tenant farmers whose rents have been reduced got the full benefit of the reduction in the assessments?—Where the rents have been reduced for a definite period the assessment has been reduced, but where they have got a per-centage returned they have not been reduced.

14,933. In the case you mentioned just now on the Underley Estate where the reductions have been for three years?—They have all got their rating reduced.

14,934. They have got their rating reduced?—All of them.

Sanitary rates.

14,935. There the tenants have got the full benefit of the reduction of rent in the reduction of rates?—Yes. Then there is a strong feeling again with regard to the unfairness of the sanitary rate. Our districts are rather large. I can refer to one where there is a small town, and the district comprises some four or six miles all round that town, it is all one rating area. The town at the present moment is being sewered at a cost of about 4,000*l.* The whole of the land within that district four and six miles away, is paying towards that sewer rate, and will have to pay for the next 30 years.

14,936. That is rather a special case, I think?—Yes, but the same objection is felt in nearly every case, because where you get a cluster of houses together the local authority will do any drainage, or do any water supply, and charge it upon the whole township; but in the case of an individual farm they will do nothing. They say they are not called upon to deal with an individual house.

Tenants on the Underley Estate.

14,937. I observe that there are 247 tenancies in this estate, on which 20,700 acres are let?—Yes.

14,938. Therefore the average is something under 100 acres?—Yes, it would be.

14,939. Do the tenants, as a rule, work themselves?—Yes, they do all the work on the farm themselves.

14,940. Do they employ many labourers or any?—Only the larger farmers; the smaller men do not employ any except in hay time, they may have an extra man in hay time.

14,941. At what acreage do the tenants begin to employ labour?—It depends on the size of the family rather more than the size of the farm. If a man has got a large family he takes the larger farm, and then, as his family begin to go on, he, perhaps, begins to hire outside labour.

14,942. But supposing a man has got no family, at what acreage would he begin to employ labour?—If he has no family he would have to begin at about from 40 to 50 acres.

14,943. And if he gets to 100 acres would he employ two men?—That is about it.

Wages.

14,944. Do the wages of labourers remain about the same?—They have gone down since 1882, but I think that was quite as much in consequence of the public works that were going on in the neighbourhood as anything else.

14,945. You mean that they had risen before 1882 in consequence of public works?—Yes, and also there was the general advance in wages in the towns.

14,946. What has been the fall since 1882?—They have gone down, I should say, from 24*s.* to 18*s.* a week.

14,947. That is a heavy reduction?—Yes.

14,948. That is nearly 25 per cent.?—Yes, it is.

14,949. I presume the labourers have had some benefit in the reduction of prices?—Yes.

14,950. Cheaper meat—a lower rate for meat?—Yes; but you must understand that a great many of the farm servants board in the houses.

14,951. And are fed by the farmer?—And are fed by the farmer, so that the servant himself does not buy the meat.

14,952. When you speak of 24*s.* you do not mean in that case?—No, I mean its equivalent to that. If you hire a day labourer, and he has to find his own board, you would have to give him 24*s.*; but, of course, if you

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have him in the farmhouse you take his board at about 12*s.* a week.

Reduced outgoings to tenants.

14,953. Has there been a reduction in that as well as in the other case, or no?—Not in the board—there has been a reduction.

14,954. I do not mean in the board, but in the wages?—Yes, in the half-yearly wages. Half-yearly wages have come down quite to an equal extent.

14,955. Then the tenants in your district appear to have had the benefit of the reduction of the rent, of the reduction of labour, and of the reduction of rates?—Yes, but they have felt the reduction in prices more.

14,956. The reduction in prices has been more?—Yes.

14,957. Did your district suffer from the drought of last year, or no?—To a certain extent; we had rather light hay crops, but we had extra good turnip crops, and extra good corn and straw, so that I think our position now is better than it was a year ago.

Low prices.

14,958. I suppose the drought has had something to do with the fall in price of cattle?—Yes. For instance, I was at Carlisle in the autumn, and I found then in one week there was something like 10,000 cattle came from Warwickshire and the midland counties, for sale in Scotland. The result was that any store stock in our own neighbourhood which were for sale then felt the effects. It led to a great drop in prices then.

The hay crop.

14,959. I presume that now the winter is over, you may expect a rise in prices?—We are looking forward to it, but on the other hand, of course, the midland counties' farmers may say we have no hay crop, we will save this year's grass for hay, in order to get up a hay crop, and another year may sell stock.

14,960. In other words the drought last year may have its effect this year in the necessity of economising the hay?—Yes.

14,961. In order to get a better stock again?—Yes, I am sure it will.

14,962. (*Mr. Elton.*) I suppose the price has already gone up a little?—Not very much. Early in the autumn it went up, but I think that was as much owing to the dealers speculating as to anything else.

14,963. I meant quite recently, you have not noticed any recent rise?—No.

The Agricultural Holdings Act.

14,964. About the Agricultural Holdings Act you say the out-going tenants' period for notice might be extended for two or three months; would that not be rather inconvenient, having regard to the incoming tenant?—No, I do not see what inconvenience it would be to him, except deferring the time for settlement.

Notice of claim.

14,965. The incoming tenant would be in a little uncertainty about what he would have to pay?—But then he is in the same position now, because the tenant's claim is never gone into until the man has actually quitted, and you must allow a fortnight for the landlord to put in his counter-claim, so that it really gets to be quite two or three months before any claim is settled now. I do not think it would make any difference in effect.

14,966. You do not think it would have any practical effect?—No.

Arbitration.

14,967. I quite understood what you said about the single arbitrator. The proceeding for arbitration under the Agricultural Holdings Act appears to be somewhat old-fashioned, having regard to the changes that have taken place with regard to arbitration in general, because you are aware that arbitration now is much simpler. The last Arbitration Act passed in 1889 makes the reference, unless two are specified, to a single arbitrator, does it not?—Yes.

14,968. That principle you would like to see extended to the Agricultural Holdings Act?—Yes, I think it might be extended with safety.

14,969. I have got the general Act in my hand, and I see that it very much simplifies all the Acts of Parliament relating to arbitration; that it cheapens the expenses; that it makes the submission irrevocable; that it makes the arbitrator a single one unless an umpire is required, and that if there are two arbitrators they are allowed to nominate an umpire, but that an umpire is not to be a necessary thing, but of course arbitrators under the Agricultural Holdings Act are not included. If they are not included in the scope of this Act, do you think this Act might be well extended to the case of agriculture?—I think it might, certainly.

14,970. The principle is admitted by the Legislature having already simplified all other arbitrations?—Yes, and I think now that the basis of compensation is generally fixed in the various districts, it is very simple work for a single referee.

14,971. There is no object in keeping up the old-fashioned intricate way of arbitrating?—Not at all; that is if the respective parties have faith in the single referee.

14,972. Of course by the general law if they have not got faith in the single referee they can have their wish to have two arbitrators?—Yes.

14,973. That is a very practicable suggestion of yours; the law being in other cases simplified in that way you would wish it to be extended to this particular case?—Yes. I see no objection to that at all.

Small holdings.

14,974. I want to ask you now about the small holdings; what sort of size did you say the small holdings were, 40 or 50 acres?—They vary from 20 and 25 up to 50 acres.

14,975. Were those holdings of 40 or 50 acres generally the old statesmen's holdings?—Yes, a good many of them.

14,976. Were those statesmen the copyholders of the manors?—Yes.

14,977. They were the Westmoreland Tenant Right Manors, that we have heard of?—We have called them the Customary Right Manors—it is the same thing.

14,978. They are held under the ancient law of customary right?—Yes.

14,979. That is to say they got their rights confirmed by law in some way in old times?—Yes.

14,980. A great many of them you say have given up?—Yes.

14,981. What sort of houses are those that are maintained, are they the old houses, or have new houses been built?—They are very poor houses as a rule.

14,982. I suppose they are the old tenements?—Yes.

14,983. Stone cottages 200 years old?—Stone and slate, and in a good many instances the divisions between the bedrooms only go up to about head height.

14,984. That is only a matter of putting up a few boards, I suppose?—Yes, but it shows that they do not spend any more money over the houses than they can help.

14,985. Anything structural like that would be the landlord's part in those places would it not?—Yes, but I was referring to the statesmen.

14,986. I was referring to the statesmen who have been turned into holders under you?—In those cases in many instances we have built new houses, but not on the smaller holdings because we could not afford it.

14,987. In fact in the case of a small copyhold turned into a yearly tenancy as a rule if you find an ancient house on it you must keep it, because you cannot afford to build another?—No, we cannot, and as soon as that house gets past being habitable we must do away with the holding.

14,988. Or else the expense of building a new farmhouse will eat the whole rent?—Yes, it would be beyond all equity or reason.

14,989. Supposing you were to build it under one of the Land Improvement Companies, that is supposing there were funds of that kind available, your house might cost you 500*l.*?—Yes, thati s a rent of 35*l.* say for 30 years; there is no small farm of 20 or 25 acres that can bear that additional rent.

14,990. You are aware that I, of course, have facts in my head, and that I am thinking of a particular holding and of a particular house?—Yes, I understand.

14,991. That is so, is it not, that you might have to expend the whole value on a new house if you borrowed the money?—Certainly, in the case of a small holding.

14,992. Do the small holders find very great difficulty in competing in their agriculture because they have to pay large retail prices instead of wholesale prices for the things they would buy, like manures?—No; we do not find that, because many of them are dealing through the Farmers' Club and the small man gets the same benefit that the larger one does.

14,993. You have farmers' clubs then that meet that difficulty?—Yes.

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14,994. It does exist in some parts, I think?—We do not find it so with us at all.

14,995. Are you near a railway?—We have the main line of the London and North-Western running through the district.

14,996. The question of railway rates, that is the tonnage rates, and whether you pay more for parcels under a ton does not arise in connexion with these small holdings?—No, we do not find it so.

14,997. Are there many squatters who have turned into tenants?—No, none at all.

14,998. You say that the descendants of some of the statesmen hold as lessees, and that probably a person holding as lessee would be in greater comfort than his ancestor, the statesman?—I am quite sure he is better off.

14,999. He is only one out of the family though?—No; but as a rule the one that did worst was the man who stopped at home; the others have done better. As a rule the second son went into the Church and the others went into commerce.

15,000. One of them would become the schoolmaster in that part, would he not?—Yes; it was the younger sons who did best because they were driven away from home and went into trade; they always did better than those who stopped at home.

15,001. I suppose the one who got the living did not get very much?—No.

15,002. Then they get their profit by getting a market for their personal labour in these small farms?—Yes.

15,003. By getting it turned into produce and money?—Yes.

15,004. But you say their food or social comforts are probably inferior to those of the artizan or small tradesman; do you mean a person living in the same part as they do, or is it the town artizan and town tradesman of whom you are speaking?—I am comparing them with the town artizan.

15,005. But then, of course, life in the country and life in town are under different conditions?—There may be more freedom in the country, but the social attractions are nothing like near to those of the town life.

15,006. Climatic in the country, social in the town?—Yes.

Tenants' improvements.

15,007. About the improvements, you say that to make a property of that dual kind to divide one undivisible piece of land into two properties, one belonging to the tenant under the name of improvements, and one to the landlord under the name of the soil, would be unworkable in your idea?—It is not possible, I think.

15,008. Very likely, but it is proposed very freely?—Yes, I understand so; but I do not see how it is going to work.

15,009. It would be an inconvenient form of dual ownership?—Yes, and it would be prejudicial also to the occupier of the land.

15,010. Because it would naturally be destructive to the position of the landlord?—Just so: it drives away all the landlord's interest in improving his property, in maintaining it even, and I think that is a greater consideration than any benefit that the tenant would get from the sale.

15,011. The landlord would have a sort of fee farm interest in it with no casual profits and no luck, no chance of getting anything?—No, the rental would not improve, but it would gradually dwindle.

Low prices.

15,012. (*Captain Owen Thomas.*) What is your opinion of the reduction in the price of farm produce as compared with 15 or 20 years ago?—Prices have gone down quite a third.

Reduction in rent.

15,013. What has been the general reduction of rents in your district?—It varies very much according to the terms upon which the farms have been let, the larger landowners have been in the habit of having their farms valued periodically, and let upon that valuation. On the other hand, the small or the middle-class owner has been in the habit of letting his farms upon a seven years' lease by tender. Of course, where farms have been let by tender the rents have gone up very much more than where they have been let upon a valuation, and therefore our farms do not all compare. I think you may take it that where the farms have been let by tender the reduction of rent is from 30 to 50 per cent., but in the case of farms let upon valuation it is from 15 to 25 per cent.

15,014. Do you approve of the principle of letting farms by tender?—No, I have only adopted it in the case of accommodation land near a town, but I have never adopted it in the case of an agricultural holding.

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Letting by tender.

15,015. Have the other liabilities of the farmer such as rates, wages and other expenses been reduced in any way?—They have cut down the labour very much, they are not employing as much labour, I mentioned I think that the gross rates are less than they were; they have cut down the expenses where they could, and they have cut down the housekeeping.

Tenants outgoings.

Interest on capital.

15,016. What interest do you think the farmer made on his capital previous to the fall in prices?—We used to reckon that a man must make three rents, that is, one for himself, one for the landlord, and one to pay expenses; but the local custom of valuing a farm is this, I am speaking of when a farmer goes over a farm to value it with a view to taking it, he estimates what produce he can sell will realise over what he has to pay, and he divides that excess by two, and treats it as rent, he does not take into account the expenses at all, he merely divides the surplus produce.

15,017. What do you say would be the per-centage on his capital, 5, 6, or 10 per cent., or what—before the fall in prices, I mean?—I should think he would be making 6 or 7 per cent. on his capital before the fall in prices.

15,018. What is he making now?—He is making a living, that is all; he is keeping his household, and, perhaps, paying for his clothes, and so on; there is all his profit.

15,019. He was making his living before, and the 6 per cent., I suppose?—Yes.

15,020. Now he is not making the 6 per cent., but he is making his living?—He is making his living, and that is all he is doing.

Present position of tenants.

15,021. You said in your evidence-in-chief that the farms in your neighbourhood are getting poorer, is that for want of capital by the farmers to work them?—Yes; it is in consequence of their not having the profits that they used to have; in the old times, when they made any profit, they spent it on the farm in improving it, and so they gradually got their farms up to a higher condition.

15,022. If these farms continue to be of a deteriorating quality do you think you will have a difficulty in maintaining the present rents even if the prices of farm products remain about the same?—No, I think we can maintain the present rents if present prices continue.

15,023. And the land getting poorer?—It has got as poor, perhaps, as it can be.

Ground game.

15,024. Are your tenants allowed to avail themselves of the Ground Game Act?—Yes, nominally so; but there is not one in 20 who does; it is only when a tenant is going to leave a farm that he thinks of doing it; but, of course, they have the right, and we have never attempted to stop them. At the same time, we have reared a large head of game every year.

15,025. Has there been any damage done to the crops?—Whenever there has been any complaint of damage I have always gone and seen what the damage has been, and compensated them for it; only I would not compensate unless they gave me notice at the time the damage was being done; if a man came to me three months after the damage was done and said, "Now, I had so much damage done," then I refused to pay him. I said, "If you notice any damage being "done and come to me I will come and see the crop, "and I will pay you," and I have done that.

15,026. (*Mr. Channing.*) Have there been many changes of tenancy on the Underley Estate?—No, very few on the whole.

Unexhausted improvements.

15,027. What does the 12,000*l.* compensation for unexhausted improvements mean; has that gone mainly in allowances, or has it gone to the quitting tenants?—It was mainly in allowances; it was in the years when the drop began, in 1882 and 1883, in order to meet the drop in prices the landlord then allowed a very large quantity of bones and lime, and a good deal of that 12,000*l.* has gone there.

Notice of claim.

15,028. You expressed an opinion in favour of the notice of claim on either side, giving a limit of two or three months after the termination of the tenancy?—Yes.

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15,029. And you are aware, of course, that it is suggested that the claims should be sent in on the same day, and that there should be no revision of the claim on either side; do you approve of that suggestion, or do you think it unworkable?—How are you to know the day when the tenant sends in his claim? If you give the landlord power to set the Act in motion ——

15,030. Let me put my question in another form; do you approve of the suggestion that claims should be sent in on the same day so that neither party should see the claim made by the other party, giving the landlord the right to make a claim? Of course that would have to be given in such a change of the law?—Yes, that would have to be given. Then you must fix a day definitely.

15,031. Do you think it would be workable; that is my question?—I do not see any advantage in sending in the notice on the same day. If you give both parties the right to send in a notice it does not seem to me to matter which day they send it in.

Claims and counter-claims.

15,032. You are aware, I think you stated it in your evidence, that many farmers are deterred from making claims because of the fear of counter-claims?—No, I have never stated that.

15,033. I thought you said that?—It is not the case in our district, I know it is in some districts, it is said to be, rather.

15,034. Do you think it would be a fair plan to the landlord and also to the tenant to have the notices sent in on the same day?—I should not object to it. I think it is rather more to the benefit of the landlord than of the tenant, because it gives the landlord power to set the Act in motion.

Arbitration.

15,035. I understood you to say in answer to the Chairman that you approved of arbitration before a single referee; but you did not think that it could be made compulsory—if it were made compulsory in general with power to both parties to appoint a referee and an umpire if they preferred by agreement, would you approve of that?—Yes, I see no objection to that.

15,036. That would leave the parties free to adopt the present procedure if they prefer it?—If they prefer it, yes.

15,037. Do you think that would be a workable scheme?—I think so. I should prefer myself seeing the single referee in all cases. You cannot satisfy all parties. Some people would feel a grievance, I daresay.

Compensation for improvements.

15,038. You say that the proposal to compensate the sitting tenant would lead to a fixed standard of cultivation. I want to ask you whether it would not be good for the landlord, and good also for the interests of agriculture, if you keep up the standard of reasonably good cultivation of land?—Yes, but that standard must be kept up at a profit. I have a doubt myself whether a high standard can be maintained at a profit, I think in these present times you may say 25*s.* for a pound of improvement, and there I am afraid it might be a clog on the tenant's neck, which he would not thank you for.

15,039. On that point you are aware, are you not, that the opinion has been expressed by several Chambers of Agriculture that the best amendment of the Agricultural Holdings Act would be simply to give the right to the tenant to claim for any increase in the agricultural value of the holding, and the right to the landlord to claim for any deterioration in the agricultural value of the holding, and to get rid of the schedules—to give full right to the landlord to claim for deterioration; would that meet your views?—Where are you going to get your standard to start from? That appears to me to be the difficulty. Who is there that can fix the standard on a farm which he has never seen? If you are going to adopt a standard someone must inspect the farm, and after there is that standard determined the same man must come again 10 or 12 years afterwards and say whether that standard has been deteriorated or not.

15,040. Then your opinion is that it is impossible to schedule the condition of the farm at entry, that it is impracticable in working to schedule the condition of the farm at entry, and then to determine the increase or decrease in the agricultural value of the holding at the end of the tenancy?—Yes, that is my opinion.

15,041. Owing to the difficulty of getting the same man to conduct both operations?—Yes.

15,042. You think one man will take a different view from another, as a rule?—Yes.

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15,043. Now, as to the proposal to compensate the sitting tenant, you are aware, of course, that that has been put forward in order to prevent a tenant being rented on his own improvements?—Yes, so I understand. I think the case of renting a man upon his improvements is very rare nowadays.

15,044. But supposing a man has carried out a number of improvements which last several years; for instance, limeing or marling, or undissolved bones on pasture, or things of that kind which last more than six years, then if his rent is raised to the full market value of the land, which has partly been created by those improvements, he will be rented on his improvements, will he not?—He will in that way, but I think those cases are very rare. I have never dealt with them myself. We have never raised a man's rent, except for improvements which the landlord has made.

15,045. A good and reasonable agent and landlord would, of course, make allowances for the good cultivation of the tenant?—Yes.

15,046. But the state of the law enables another type of agent and landlord to charge the full value of the land to a tenant under those circumstances, does it not?—It does enable them to do so, no doubt, but I do not think it is very often applied now. A landlord will not part with a good tenant now if he can help it.

The Law of Distress.

15,047. Now about the law of distress, are you aware that in cases where by agreement rents are paid in advance the law of distress can be held to operate so as to enable the landlord to recover by distress nearly two years' rent?—Yes; the Agricultural Holdings Act itself provides that.

15,048. The intention of the Agricultural Holdings Act is to limit it to one year?—Yes, one year back, and then the agreements provide for a year forward.

15,049. In cases of that kind, it would be an injustice, would it not, to the tenant, as he has agreed to pay in advance?—I do not think it is an injustice to the tenant; it may be to his creditors, but not to the tenant. I do not think it hurts the tenant.

15,050. It is prejudicial to the creditors in any case?—Only to the creditors, and it only applies when the man has got into difficulties.

Compensation for improvements.

15,051. Do you approve of compensation being given under the Schedule for the consumption of home-grown corn?—The difficulty I see in that case is the evidence. If I were acting as umpire I should find a very grave difficulty about the evidence. I could not take a man's word for the crop that he had produced.

15,052. You do not think it would be practicable?—No. I do not think it is practicable myself.

15,053. You are aware that compensation for increased fertility by continuous high farming has been advocated by many witnesses, are you not?—Yes.

15,054. What is your opinion on that?—Does not the tenant get that benefit until he leaves the farm? So long as he is on the farm he gets the benefit by the continuous improvement.

15,055. I am talking of compensation on quitting?—Then does he not get that under the present Act?

15,056. There has been one arbitration carried out in that spirit?—In Scotland?

15,057. In Durham?—Yes, I believe so.

15,058. But it might have been appealed against, might it not?—We have a practice amongst the local valuers of varying the rate of compensation according to the system which has been adopted. If we find a man has been in the habit of continuously farming high we allow him a higher rate of compensation than when it has been only partial or casual.

15,059. You classify the improvements in that way?—Yes.

15,060. Then how does that agree with what you said about a single referee, and that the scale was so settled?—Because our scales are, as it were, elastic. In our own scale, for instance, I have power to allow 20 per cent. or to deduct 20 per cent.

15,061. You have a time scale for the exhaustion of improvements?—Yes.

15,062. Should you also make additions in valuation for cultivation above the usual standard?—Yes, we try to make it as fair as we can.

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15,063. You have referred to a clause in my Bill with regard to the right of the tenant to obtain or carry out first class improvements; are you aware that it was not proposed to give the tenant this right to obtain them unless a reference under the Agricultural Holdings Act showed that the improvement would add to the agricultural value of the holding?—Yes, I understand all that; but my point was this: that I do not think there is one tenant in a hundred who would put that Bill into operation.

15,064. Still it will enable the tenant to have his farm properly equipped by giving notice, and by a reference under the Agricultural Holdings Act?—Yes, but will it not prejudice his position in another way? Supposing that Bill is in general operation, a tenant goes to a landlord and says: "Now I want you to build "me a new building," or "I want a field drained," or "I want some improvement made"; the landlord immediately turns round and says: "Give me notice under "the Act and I will do it according to the terms of the "Act and I will not do it otherwise."

15,065. The terms are reasonable, are they not?—In a great many cases now, the landlord does those things without charging any interest at all, and I think the tenant's position would be worse under that Act than it is now.

Ground game.

15,066. As to the use of the Ground Game Act; do you know of any cases in which tenants have had notice to quit owing to their free use of the Ground Game Act?—No, I do not know of any case at all. We had one case on the estate where the tenant quarrelled with the shooting tenant, but it was not on the question of the ground game at all; it was a question of charges for accommodation. The shooting tenant had lodged in the tenant's house, and they quarrelled about prices; but I have not heard of a single instance in our neighbourhood of a tenant receiving notice to quit because of his using the Ground Game Act.

15,067. In a case of that kind—I will not ask you whether this case was of that nature—do you think a tenant would be entitled to some compensation for disturbance in addition to compensation for his improvements?—No, I do not think so; he has got the Act and he can use his powers under the Act if he likes; he gets all that he is entitled to.

15,068. (*Mr. Lambert.*) What are the main productions in your part of the world?—Dairy produce and young stock.

15,069. Do you graze the stock or sell it fat?—No, we keep all the heifer calves and bring them up till they become dairy cows, but the bull calves are sold at about 6 months or a year.

15,070. Do you grow any wheat at all?—No, there is not a field of wheat within 20 miles of our house.

Fall in prices.

15,071. How much do you think the produce or the commodities that you produce have depreciated in price?—Stock itself has depreciated quite 30 per cent. but dairy produce has not come down to that extent.

15,072. Have beef and mutton depreciated 30 per cent.?—Yes, quite, in the carcase, not in the butchers' price, but in the carcase.

15,073. Why is it that it has not depreciated in the butchers' price?—The butchers tell me that it is this: that the importation of foreign meat has led to a reduction in the consumption of the inferior parts of the English carcase, and so the butcher is not able to make as good a price of the secondary parts as he used to do and therefore he is obliged to maintain the high price of the best joints because he is making less of the rest of the carcase; that is what the butchers tell me.

15,074. Do you think it is reasonable yourself?—I believe so. I have noticed that after a great strike in any of the northern districts there has been immediately a drop in the carcase price of beef or mutton, and I believe it is purely for the reason that the miners or the mill hands when they have been in constant work have lived fairly well, and have consumed the secondary parts of the carcase, but the moment they get on strike of course they have to drop their consumption of meat and so on, and that has led to the reduction in the price of the carcase.

15,075. You spoke just now of farmers' clubs; that is farmers' co-operation, I presume, you mean?—It is a farmers' club, and you may call it a co-operative club, but they do not work at a profit.

15,076. No, but I mean to say that it is co-operation?—Yes, it is.

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Co-operation.

15,077. That is, a number of farmers join together, and that is an advantage to them, is it not?—Yes.

15,078. If such an arrangement is of advantage in buying articles that they require, may it not be of an advantage in selling articles that they have to sell?—We have tried to induce them to join in the selling part, but they will not; each man thinks he can do better for himself than by selling through a co-operative interest.

15,079. Then you think that there is a lack of unanimity among the farmers in that respect?—On that side of the question there is.

Letting by tender.

15,080. To what do you attribute the fact that when farms are let by tender they are let at a higher rent than they are by valuation?—It may be the wish of the intending farmer to get the farm, or it may be that he really does not know how to value the land.

15,081. That would mean that there are a good many farmers who are not judges of their own business?—I think it is very likely so far as the renting of the farm goes.

15,082. They do not actually know what a farm is worth to rent?—No, I am afraid not. They do not employ anybody to value for them, and they have over estimated the produce probably.

15,083. I presume there being several applicants for every farm, farmers are desirous of getting into a farm, and therefore they offer sometimes a higher rent than even the farm can be made to produce?—Yes, especially if it is under a good landlord.

Reduction in rent.

15,084. What is the average reduction of rents since 1865?—They went up from 1865 all through the seventies from 20 to 30 per cent., and even up to 50 per cent. in some cases where they were let by tender, and they have now come down to about 10 per cent. below the prices of 1865, except where a landlord has spent a good deal of money in improvements.

15,085. Practically, I presume the rent is just the same as it was in 1865?—No, rather lower. If the farm is in the same state now that it was in 1865 it is 10 per cent. lower.

15,086. Do you think that the landlords know the value of their estates?—I do not know whether they do themselves—they have to leave it very much to the agent, of course.

15,087. Do you think the agent does?—Well, he thinks so. But of course they are not all of the same opinion, and they have not all the same instructions from the landlord. One landlord may say: "I do not "want the farms put up to the full value; I am con-"tent to take 10 or 15 per cent. less than the top "market price," whereas another man, whose money affairs we know nothing about, but who may from necessity be obliged to get the last penny he can, will naturally say: "You must let the farm by tender, and "get as much money as you can." It depends upon the landlord and the landlord's requirements.

15,088. So that the landlord really does not scruple to take even a higher rent than the farm can produce?—I will not say produce; he will take what is offered in many cases.

15,089. Although he may know, or the agent may know, that it is more than the farm can produce?—You cannot help that; it is human nature; and also you must bear in mind that a landlord who is dependent entirely upon the income of his land is a poor man now. If he has got an income from other quarters he can manage to do very well, but if he is dependent entirely upon his land he is a poor man.

15,090. How much is the Underley estate let for?—About 20,500*l.*

The Underley Estate.

15,091. You can hardly call a man a poor man with 20,000*l.* a year?—He would be at the rate he has spent money if he had not had an income from other sources. If you will look at that sheet of expenditure you will see that in 1873 and 1874 he was out of pocket upon a rental of 18,000*l.*

15,092. Of course I will not pursue that subject further. You say the depression began in 1876, but that rents only began to be reduced in 1882?—That is so.

15,093. Was that because the farms were not rented up to their full value although they were let by tender

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in 1876?—They were up to their value, but the landlords in many cases gave them some bones, or something—anything rather than reduce the rent.

Tenants' capital.

15,094. Do you think in many cases the farmers paid their rent out of their capital?—Not then; they have done since, I believe.

15,095. Can you estimate in what proportion the farmers have paid rent out of capital?—I do not know, I am sure. I should be inclined to think myself that their capital has gone down from 20 to 30 per cent.

15,096. That the farmers' capital has gone down a third?—Yes, quite, I should think.

15,097. Of course that means in at any rate some instances that that has been paid in too much rent?—Yes, no doubt it has been so.

Yeomen and tenants.

15,098. You said just now that the yeomen had suffered as much as the tenants, or more, I think you said?—Quite as much, I think I said, as the tenants.

15,099. That is, I presume, where they are mortgaged?—Yes; I am afraid that nearly all the yeomen's estates are mortgaged.

Mortgage.

15,100. Why are they mortgaged?—For family purposes.

15,101. A legacy is left out of the farm, and the owner has to pay, and he raises money by mortgage, is that so?—That is it.

15,102. Do you approve of this system of mortgaging farms?—You cannot help it; but it is not a good thing for the estate.

15,103. It is not beneficial for the land?—No, I do not think it is.

15,104. Or for all those who are engaged on it?—No, I do not think it is. If the income is free it would be very much better.

Arbitration.

15,105. You think that in an arbitration a single referee would be no injustice to either side, and that his valuation would be practically fair?—I think so.

Ground game.

15,106. With reference to the Ground Game Act—I do not wish you to answer this if you would rather not do so—in how many cases have you allowed compensation for the depredations of game?—I cannot speak offhand; there have been two or three claims a year sometimes, and then, perhaps, there have been two or three years without any claim at all.

15,107. What is the damage done by, winged game or ground game mostly?—Winged game chiefly.

The Law of Distress.

15,108. You have expressed yourself as unfavourable to the abolition of the law of distraint?—Yes, I do not think it will benefit the tenant at all.

15,109. Would it have any effect in this way: that the landlord, knowing he has a first charge on the tenants' property, would be inclined to accept, especially when farms are let by tender, a higher rent knowing that he is secure?—He will always inquire into the tenants' security, you know. There is no landlord with us who ever takes a strange tenant without inquiring as to his means, and he would not let a farm to a man who is short of capital any the more because of the law of distraint, not at all.

15,110. He would not?—No. I do not think it makes any difference in that respect at all.

15,111. Then why would you put the landlord upon a different footing from the other creditors?—Because he has to wait longer for his return, and his rent is not collected day by day; he cannot stop it at any moment, I mean. A tradesman, if he finds that his creditor is getting into arrears, or doing badly, can stop his debt at once; the landlord cannot stop his debt, the rent goes on growing until the end of the year.

15,112. But if a tenant does not pay the rent the landlord surely has the right of giving him notice to quit?—Yes, and generally does when he does not pay his rent within six months.

15,113. In six months?—I mean six months after the ordinary time for payment.

15,114. Then he practically has the remedy in his own hands on the stoppage of the payment?—Yes, but there is a year to run after the notice, you know, in the majority of cases.

15,115. In answer to a question of Mr. Channing, I think you said that in some cases the landlords could distrain for two years' rent?—That is where the rent is reserved in advance, and where there is a power to distrain in advance.

15,116. Would you be in favour of that?—We have it in our leases.

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15,117. You have?—Yes, for protection.

Remedies for the depression.

15,118. What remedies do you suggest for agricultural depression, or are you pretty contented as you are with the present reduction of rents?—I am afraid there is not any general remedy for the depression; what is wanted is an improvement in the prices of stock and produce, but how that improvement is to arise I cannot say. I am sure. I have great faith myself that if the trade of the country improves prices will improve with it.

Sanitary rate.

15,119. (*Mr. Dalton.*) I think you say that the sanitary rates press hardly on the farmers?—I will not say that they press hardly, but that they are a source of grievance.

15,120. What do they average in your district?—It depends very much upon whether the local authority has done any drainage or not. Where they have done the drainage the money is borrowed upon a rent-charge for 30 years, and it becomes rather a heavy burden.

15,121. Do you know of any high sanitary rate in your district? I see from a return here that taking the whole of the county of Westmoreland the rural sanitary rate is very low indeed?—Yes, it is.

15,122. Do you know of any particular case in which it is high, and what is the extent of it in the highest one that you know of?—They are growing; the local authorities are just in the way now of doing all this sewerage and water supply. It has not got into actual operation and so one cannot say what the rate will be.

15,123. You do not know of any at present?—No, I have not any in my own mind.

15,124. You spoke of one case where land was rated for sewers carried out four or six miles away?—Yes.

15,125. That must be one enormous parish, I suppose?—Yes.

15,126. Because in a rural district the cost of the sewers falls on each parish and not on the whole district?—Just so; but then this happened to be rather a large parish.

15,127. A very large parish?—A large rating area.

15,128. If the cost was spread over the whole of that area I suppose it would become a very light charge?—It becomes a very light charge, but those who are living four or six miles away do not see any reason why they should pay any portion of it.

15,129. Then I think you said that it was a grievance because, taking the case of a farmer with a rent of 50*l.*, and a house and shop at another rent of 50*l.*, they were rated in the same way although the tenant made a different profit in each case?—Yes; the shopkeeper makes a much larger profit from his 50*l.* shop than the farmer does from his 50*l.* farm.

15,130. Can you assess according to profits; supposing you had two farms side by side exactly the same, and one made a larger profit than the other, would you rate them differently?—You should do where you can, but, of course, you take the rent as a criterion of profit.

15,131. Must you not take the rent as a criterion everywhere, in a town as well? You may have a shop carried on at a loss, but you would not say that that shop was to escape being rated because a man made a loss in it in a particular year?—No, but I say that shops make a greater profit than land, and therefore the shops ought to be rated at a higher rate.

15,132. How would you rate a house in which there is no question of profit, which is a residence?—I would make the urban rating general for all rates, that is, let a house and buildings pay upon the full value and the land upon a fourth. I would like to see that general for every rate.

15,133. For every rate of every kind?—Yes.

Agreements.

15,134. (*Mr. Chaplin.*) I was not here, I am sorry to say, when your examination began, and so if you have answered this question, do not answer it again: under what kind of agreements or under what tenure are the farms on your estate held?—They are all yearly tenancies.

15,135. Under the Agricultural Holdings Act or under agreements?—Under agreements with a schedule of compensation.

15,136. I suppose you have had a considerable number of farms change hands in the last 10 years?—Not on

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the estate; we have had very few changes, but in the district there have been a good many.

15,137. In the changes that have occurred on your estate, I suppose you have had to reduce the rents?—Since 1886.

15,138. Have you had any applications for any modification of the agreements?—No; they have always accepted the printed agreement I have put before them.

15,139. Although they have required a reduction in rents they have been quite satisfied with the agreement?—Quite; they have never raised any question upon it at all.

15,140. Is that generally the case in your district?—Yes; we do not find any objection to the agreements at all.

15,141. Although there have been repeated changes in the rents they are satisfied, so far as you can judge, with the terms on which the farms are held in other respects?—Yes, they always sign the agreements, and, as far as I can make out, without any question.

15,142. And they have the opportunity of carefully studying them?—Yes.

15,143. In fact, I suppose, the agreements on your estate are perfectly well known?—Of course.

15,144. Before they take the farms at all?—Yes. A copy is always handed to a man when he applies for a farm, and he takes it home and reads it over.

Notice of claim.

15,145. I observe that you say that you think an extension of the time for giving notices of claims to one, two, or three months after the expiration of the tenancy would be an improvement in the Agricultural Holdings Act. What I want to ask you is this: Provided that care is taken that the Act shall be set in motion, is there any absolute necessity for any periods of claim at all?—No, except that there must be some limit to the time when a man must put in a claim. It would never do to let the thing hang over for a year or two and then to put in a claim; there must be some limit to the time.

15,146. After which he cannot make any fresh claim?—Yes.

15,147. That I can quite understand, but subject to that is there any other necessity for giving notice?—No; in my own schedule I do not require notice at all.

15,148. Exactly; neither landlord nor tenant is required to give notice?—No.

15,149. But the tenant makes his claim as a matter of course?—Yes.

15,150. Then, subject to the limit of time, after which claims cannot be made, you think there is no necessity for a claim at all?—No, there need not be.

15,151. Would you recommend an alteration in the Act to that effect?—I think the most satisfactory alteration would be, as I suggested, to put a limit of, say, three months after the determination of the tenancy.

15,152. And after that no further claim is to be made?—Yes. I want to give the parties the opportunity of coming together and settling their difference without notice.

Compensation for improvements.

15,153. You were asked just now whether tenants were not sometimes rented on their own improvements; now, I apprehend that you have had a very wide experience; do you know of any cases in which this has occurred?—I know of very few indeed in our own neighbourhood—very few.

15,154. Then you were asked whether it was not the fact that the state of the law would enable such an addition to the rents to be made; if it did happen in one of those rare cases, which, I understand, may have occurred, the tenant would get full compensation for all his improvements, would he not?—Not until he quitted.

15,155. But if he chose to give up his farm he would get full compensation for everything he had laid out?—If he left them he would, of course.

15,156. If it was attempted by the landlord, I suppose in most cases he would run the risk of losing his tenant, and would probably lose him?—Yes; he would get a bad name in the district, and his tenants would not farm as well under him as they would under a man whom they had confidence in.

15,157. The object of every landlord nowadays necessarily being to keep a good tenant, he would run great risk of losing him?—I think so; they all try to keep their good tenants if they can.

15,158. As far as your experience is concerned, throughout the whole of your own district, can it be suggested that the case suggested to you is in any way whatever a practical grievance at the present time?—No, I am quite sure it is no grievance in our neighbourhood.

Compensation for high farming.

15,159. I did not quite understand what fell from you with regard to continuous high farming. I think you were asked as to whether you advocated compensation for continuous high farming being given to a tenant on quitting; is it not the fact that the tenant is compensated in the first place while he has the farm by the improved condition of the land itself, and that when he goes he is fully compensated for the large outlay which he has made during all those years, or during the latter part of those years?—Yes, I say that so long as he is in occupation he gets the benefit of his high farming, whatever it may be, and directly he leaves he is compensated for it. According to the practice of our local valuers he is compensated at a higher rate if he has farmed well than if he has only farmed middling. We vary the rate of compensation according to the system of farming that we know the man to follow.

15,160. Is it not generally the case that a good farm on a good estate is let to what is presumably a good tenant and there is an implied understanding that of course he will continue to farm it in a good condition?—Yes.

15,161. Then to ask for compensation for continuous high farming would be to give a man compensation for what, as a matter of course, it would be only his duty and his engagement to do?—Yes; then I say if he has once been compensated for getting his farm up into a high state, he must maintain that without any further compensation and what is more he must repay to the landlord any deterioration.

Tenants' capital.

15,162. I rather gathered that you were of opinion that in some cases a tenant's capital had been diminished partly by the fact that the rents were too high for the times?—Yes, the rents were not reduced early enough.

15,163. What was the case during the good times; then, I suppose, tenants made very considerable profits and increased their capital?—They increased their capital considerably.

15,164. Considerably?—Yes.

15,165. That would be because at that time the rents were too low?—It was a general prosperity all round.

15,166. But if it is fair to say that the tenants had lost capital because rents had been too high during the bad times it would be equally fair to say that they had added to their capital in the good times because the rents had been too low?—Yes. If you take the case of many of our tenants they are the same people that were there in 1865 and if you compare their capital now with what it was in 1865 it is about the same thing; but in the seventies they added to that capital and in the eighties they have lost it.

15,167. In fact it comes to this, that they have increased their capital in good times, and they have lost it in bad times?—They have lost it in bad times as the landowners' property has gone down in value in the same way.

The Law of Distress.

15,168. You replied in answer to a question just now as to why a distinction was to be made in the matter of the law of distress between the owner of the land, on the one hand, and a tradesman on the other, that the landlord cannot stop the debt; you mean, I suppose, that he must give credit for the rent up to a certain date?—Yes, and then he cannot terminate his tenancy in the middle of a year. Our tenancies run from Candlemas, and we cannot stop a tenancy in July, say.

15,169. Then it was suggested to you that a landlord could protect himself by giving a notice to quit, and that the affect of the abolition of the law of distress would be very often to compel the landlord to take that course—that would be so, would it not?—That would be so, undoubtedly.

15,170. I suppose nothing much more unpopular than any legislation which encouraged or rendered it necessary for landlords to give notice to quit, which

they otherwise would not do, could be imposed in the interests of tenants?—Certainly; I have always avoided giving notice to quit if I possibly could avoid it.

15,171. There is nothing, I suppose, that a tenant likes less than a notice to quit?—No, and there is nothing more disagreeable to a landlord or to an agent.

15,172. And any legislation which would encourage or make more necessary that practice would be very undesirable?—Certainly, very.

The Agricultural Holdings Act.

15,173. (*Mr. Little.*) You have had a good deal of experience under the Agricultural Holdings Act, I believe?—Yes, I have acted in all capacities under it, I might say.

Scale of compensation.

15,174. The valuers in your neighbourhood, I understand, have agreed upon a scale of compensation?—Yes.

15,175. For manures and feeding stuffs?—Feeding stuffs, bones, and limes.

15,176. Those would be the principal items, I suppose?—Yes.

15,177. Then you have classified your scale of compensation in respect of the state in which the farm is found?—I do, myself.

15,178. That is not part of the scheme, then, that has been adopted by the valuers?—No, but I have to argue both ways sometimes. I am always bringing it before the respective valuers, and we are very frequently discussing it, and I find that there is a very general opinion in favour of adopting that.

15,179. That is quite in accordance with the principle of the Act?—Yes.

15,180. The compensation is to be the value to an incoming tenant?—Yes.

15,181. And you act upon that by classifying your farms as under a first or second or third rate condition, and compensating accordingly?—Yes, we try to carry that out as far as we can.

15,182. Your agreements on the Underley Estate are substituted agreements, I presume?—Yes.

15,183. Is the scale of compensation laid down in them?—Yes.

15,184. Would you mind handing in a copy?—Certainly not (*handing in a copy*). (*See* Appendix I.)

15,185. Thank you. Do you find that, generally, tenants prefer a definite scale of compensation to the indefinite terms of the Act?—We find now that they prefer a definite scale. Quite recently I have had the tenants coming to me and saying, "Can you give me a "copy of your scale, because I am going to ask my "landlord to compensate me according to that." In many cases the landlord and tenant have come together and they have said, "We will settle according to the Underley scale."

15,186. They would rather agree to take for compensation something that they can rely upon than run the risk of an arbitration?—Yes, and also it saves expenses very much.

Notice of claim.

15,187. You propose that an extension of time after the expiration of the tenancy shall be given for the claim; is there any particular difficulty in making out a claim when the tenancy ends?—No, but you see according to the Act the tenant is to give notice two months before the termination of the tenancy. He cannot say what the consumption of cake and feeding stuff is going to be for the last two months, and therefore nothing can be done after his notice is given until his tenancy is terminated.

15,188. I gather from what you said in your reply to Mr. Chaplin that you would not object to seeing this notice done away with, but you would provide that on or before a certain date a man should make a claim or rather that he should not make a claim after a certain date?—Yes. I think we must fix a time when a man can make a claim.

Claims and counter-claims.

15,189. Do you think it is at all required that a landlord should have time, after the tenant has made a claim, to make up his?—He must or else you must give the landlord the power to set the Act in motion—one or the other.

15,190. I suppose if either party could make a claim before a certain day it would not matter, in your opinion, if the claims were made simultaneously?—No, but then you see the advantage of postponing the time of giving notice of claim is that each party will know what the other party is going to claim, the tenant will know what the landlord is going to counter-claim for; of course I am presuming they will have met and tried to agree, therefore each party will know at the time of giving notice what the other is going to claim for.

15,191. Unless they are simultaneous one party must be behind the other?—I am assuming there has been an attempt to settle before the time of sending in the claim. As soon as the tenancy is over the landlord and tenant will come together and try to settle the compensation and they will each tell the other what they claim for.

15,192. You think that it would lead to a simplification?—I am sure it would.

15,193. You do not think it would increase the delay?—No, not a bit, because two months always elapses now before anything is done.

15,194. Is that necessary?—It is not necessary, but the parties are never ready.

15,195. I suppose the inspection of the farm must be made at the time of the termination of the tenancy for the valuation of things such as crops and cultivations?—It should be, but the formalities are never completed in time for that.

Arbitration.

15,196. I do not quite understand your position with regard to the single referee under the Act—is it that the parties might agree to submit to a single referee?—Yes.

15,197. You do not want it to be made compulsory that they should so submit?—No, I say that it would be better for them if they should and I should like to see it more generally adopted.

15,198. Mr. Elton asked you if you would like to see the powers of the General Arbitration Act applied in this case, that would be raising a presumption that one referee should settle the case, but leaving to the parties the option of proceeding by two?—That is how I understood the question.

15,199. That is your view?—Yes, that is what I understood the question to be.

Sanitary rate.

15,200. About the sanitary rate, it would not be so much the amount of the rate that you objected to, I think, as the principle?—Yes.

15,201. I think you said that if you had a cluster of cottages the sanitary authority thought itself bound to take measures to drain and to supply water to them, whereas a farmer or a landlord was left with a single farmhouse to do all that at his own expense?—Yes.

15,202. And that a farmer who was miles away had to pay for drainage and for sewers that could be of no possible benefit to him?—That is so.

15,203. And generally you think that the capacity of the farmer to pay rates is not so great in proportion as the capacity of the tradesman?—I am quite sure that it is so in our district.

Compensation.

15,204. (*Mr. Clay.*) You said, I think, that you would give in your scale of compensation to the Commission?—Yes.

15,205. Are the valuators paid generally by the landlords?—As a rule the umpire says each party pays his own costs.

15,206. In valuing farms are you paid by the landlord or by the tenant, or jointly?—Do you mean for letting?

15,207. Yes?—It is part of the agent's duty to value a farm without any extra payment when it is to be relet.

15,208. That is for the landlord?—For the landlord.

15,209. And, of course, naturally you fix the rent if anything in the landlord's favour?—No, I will not say that because my instructions are that I am not to get the full value, I am to be under the full letting value and therefore I value accordingly.

15,210. Are those the general instructions do you think?—I am speaking with regard to this particular estate.

15,211. I am dealing with the case as a whole?—It depends upon the landlord entirely as to what his instructions are, landlords vary.

15,212. So that generally two instructions go out?—Likely enough.

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Claims and counter-claims.

15,213. I think you said that a landlord should have an extended time to make his claim?—You must either do that or else you must give him the power to set the Act in motion, one or the other.

15,214. I think you have admitted that the claims should be made simultaneously?—Yes. You do not know when the tenant is going to put in his claim.

15,215. The Act fixes a time for putting in the claim?—Yes, two months before; but it does not say to a day or a week, or it may be three months before if you like.

15,216. You say, I think, that it should be two months after the tenancy?—Yes, after.

Arbitration.

15,217. Both landlord and tenant should put in their claim then; how would you have the appointment of the referee?—By the respective parties; let them agree upon a single referee.

15,218. Would you not leave it to the county court judge?—No, unless they cannot agree, then let the county council appoint him. I would rather the county council than the county court judge. I have no faith in county court judges. If the parties cannot agree, and they choose to go to the county council, then I see no harm in the county council appointing a single referee.

15,219. Would that not be making the appointment come through that body, the county council?—I should see no harm in it; that is, if the parties cannot agree otherwise. If they do agree there is no necessity to go to the council.

Rent and prices.

15,220. You said that the tenants should have three rents; have they been having three rents these last 10 years?—I would not like to say. I have not seen their accounts.

15,221. What is your own opinion?—My own opinion is that they have not.

15,222. The rents must be too high then?—No, only in some cases.

15,223. In an average of cases?—No. I will not say even on an average of cases, because, mind you, the rents have been coming down as well.

15,224. Have the rents fallen in sufficient proportion to the fall in the price of the produce that they sell off the land?—Yes, in a great many cases they have. Rents have fallen from 30 to 50 per cent. in a great many cases, and that is quite equal to the depreciation in prices, quite equal. I think both parties have divided the loss.

The Law of Distress.

15,225. Regarding the law of distraint, you say that the landlord gives credit to the tenant for perhaps one or two years?—He will not often do that, but he has the power to do that of course.

15,226. Do you think that the trader has anything to say to that?—I do not think it matters to the tradesman at all what the understanding is between landlord and tenant.

15,227. Certainly it matters a good deal to the trader; if the landlord has his 20*s.* and the trader who supplies the material for carrying on the farm has only to look to a dividend, how do you reconcile that?—In the case of a bankruptcy the landlord only gets six months' rent.

15,228. I suppose they can go for twelve months?—Under the Act, if there is sufficient to do it; but if there is a bankruptcy before the distraint is put in the landlord would only get six months'.

15,229. But, then, has he any right even for the six months above the general trader?—Yes, I think so, because he cannot stop his debt in the way the trader can.

15,230. Can the trader stop his debts?—Yes.

15,231. By making the farmer bankrupt?—The moment the trader has any reason to doubt his customer's financial position he can stop his debt; he can say, "I will not let you have any more," but the landlord cannot do that.

15,232. The trader has lent his money through the material he gave the tenant; has he not, therefore, the same claim as the landlord has for six months' rent?—I do not think he has, quite.

15,233. Where is the difference? Take a point. Let us have that defined?—I would not like to say.

15,234. It is very simple, is it not; the landlord has given six months' credit to the tenant, and the trader has given perhaps 12 months' credit for cakes, manures, and seeds to carry on the farm; the landlord is only dealing with his interest, but is not the trader dealing with his capital?—Yes; but the trader is making a bigger profit than the landlord is.

15,235. Are you sure of that sometimes?—Quite sure.

15,236. Is not the tenant in the one case dealing with the trader's capital, whereas in the other he is only dealing with the landlord's interest?—And the landlord's capital.

15,237. No; is not the rent the interest on the land?—I am afraid a bit of his capital is going too.

15,238. Is not the rent he is receiving for his farm the interest on the land?—Yes, it should be.

15,239. What is the trader's capital but the money he has put into his business? Is not both his capital and his interest in his stock?—Not the capital altogether; it is more profit than capital.

15,240. We have had evidence here that some of the traders only get a penny in the pound; in such a case the trader loses both his interest on his money and his capital, does he not?—We have not had cases of that sort.

15,241. There are plenty of cases every day?—We have had no case in our district.

15,242. Are the trader's capital and the landlord's interest on his land on the same basis?—No, I think the landlord is entitled to his rent first within the limit which is laid down, which is six months in the case of bankruptcy and 12 months under the Act. I think he is entitled to that, because as I say he cannot stop his debt in the same way that the tradesman can stop his debt.

15,243. How can the tradesman stop his debt?—He can stop it accumulating; the landlord cannot.

15,244. But can he stop the money that has been drawn out into his manure and cakes and seeds—can he stop that?—No, but he can stop that getting more, whereas the landlord cannot stop the rent getting more.

15,245. Cannot the landlord give the tenant notice to leave?—He must wait until his quit notice expires before the rent stops.

15,246. That only lasts for six months, does it not?—Six or twelve months; it depends upon the conditions and the time of the year.

Claims and counter-claims.

15,247. (*Viscount Cobham.*) If the landlord and the tenant send in their claims on the same day would that not have the effect of largely increasing the number of landlords' claims as compared with the present system?—No; I think in the majority of cases they would be settled before the time comes on for giving in the notice.

15,248. Unless a claim be sent in under the Act the landlord cannot counter-claim now?—No, he cannot.

15,249. Would he not, under your suggestion, in order to protect himself, as a general rule lodge a claim?—That depends on how you are going to alter the Act. If you are going to fix one day for both parties to send in the claim then you must give the landlord the option of setting the Act in operation; but if you give him the same extra time that the Act now gives, and put him in the same position, then it is all right. At present you know he has got a fortnight after the termination of the tenancy within which he must send a counter-claim in.

15,250. It surely must tend to increase the number of landlords' claims. At present a number of proceedings under the Act are stopped altogether by the fear of the landlord's counter-claim?—Yes, that depends upon the way in which the Act is altered. I would still give the landlord so many extra days within which to send in his notice after the tenant has put in his. I would not give the landlord the right to set the Act in operation, unless the tenant sent in his claim first; but if the tenant does set the Act in operation then I say the landlord should have a little extra time to put in his claim, otherwise it would not be workable.

The fixing of rent.

15,251. You say that experience has shown that many farms have been taken at more than their proper value, and that rents have been fixed too high in many cases?—Yes.

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15,252. Should you not say as a land agent that it is becoming increasingly difficult to put any accurate value upon a farm?—I think it is almost as much the fault of the farmers as of anybody else, because when a farm is to be let by tender, they will always bid more rent.

15,253. If competitors for farms put too high a value upon the farms themselves, it is a certainty that the landowners and agents will take the same view?—Of course we have to do that. We have to ascertain the market value by this system of tender, and if we find that six or eight farmers put the farm at say 10 or 15 per cent. more than we do, we have to come to the conclusion that we are too low.

15,254. To revert to what I said before, do you not consider it a matter of much greater difficulty to accurately value a farm now compared with the times before 1879; is not the position much more uncertain, and are not the prospects much more uncertain now than they were then?—Certainly; it is very difficult to value when prices keep on going down, very difficult; but when prices are going up it is easier.

15,255. And the personal qualifications of tenants and their capital are now matters of much greater importance than they were in the good times?—Yes, certainly. You have to judge by your man.

15,256. It is difficult, is it not, to accurately gauge a man's intelligence or his capital when he offers for a farm?—Yes; but we generally take care to know something about the man before we let a farm to him—if he is a stranger to us, we make inquiries about him and his position.

15,257. But you make frequent mistakes, I should think, in the amount of a man's capital?—Yes; we get deceived in that sometimes.

Land Improvement Company's rentcharges.

15,258. I see from this table that the net rental that you get, taken in the last few years, which I suppose are fairly representative years, comes to more than 70 per cent. of the gross income; is that so?—Yes; but then that does not include or take into account the Land Improvement Company's rentcharges which happen to be a very large sum. We are paying 5,000*l.* in rentcharges to the Improvement Company.

15,259. Does that not come into this return at all?—No.

15,260. Are fresh loans being made?—There has not been any for two or three years now. They begin to die out in 1895, and then the last of them dies out in 1910, I think, or something of that sort.

15,261. Can you state what is the payment this year?—It is 5,210*l.* I think.

15,262. Would the net rental be taken after paying for the up-keep of the house and garden?—No. I have not included that.

15,263. That has to be done out of the net rental?—Yes—I have not included that, and I have not included game-keepers—only the expenses necessary to maintain the estate.

15,264. Should you say as a rule that a landlord who is not burdened with charges, would be fairly well off if he gets half his gross rental to spend?—He would be very well off if he gets half his gross rental in pocket.

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Small holdings.

15,265. (*Sir Nigel Kingscote.*) You have a large number of small holdings on the Underley Estate; do the tenants of those holdings follow any other occupation or not?—No, very few of them. I am excepting those of course, that are under 5 acres; there are 62 under 5 acres—that is small accommodation land near the town—I am excluding them; but I am taking the 20 to 50 acres.

15,266. They live almost exclusively on the land?—Yes.

Wages.

15,267. You said the wages have gone down during the last 10 years; have the wages of the carpenters and bricklayers, the people who have to do the repairs and building on the estate, gone down?—No, they are the same as they were 10 years ago.

15,268. Therefore, as regards the landlord's pocket, has it been rather dearer to them to put up buildings and to make repairs than it was before?—It has been no cheaper to do these things.

Cattle diseases.

15,269. Have you suffered in your neighbourhood in past years from cattle diseases?—Very little. We had very little of the foot and mouth disease when that was about.

15,270. I suppose you have no strong opinion then as to whether all cattle ought to be slaughtered at the port?—No, it does not affect us at all.

Sale by live-weight.

15,271. Is the weigh-bridge used at your markets for cattle and sheep?—No, unfortunately not. I would like to see it more used; but it is not used.

15,272. Do you think it would be to the benefit of the farmer if it was more used?—I think so.

Compensation for improvements.

15,273. (*Mr. Channing.*) In cases where you and other valuers have awarded additional compensation for high continuous farming, has there been any protest against that award, or any threat of carrying it to a higher court, or anything of that kind?—No, there has never been any appeal from it. The landlords always accept the awards, except at the beginning. At the beginning there were certain legal questions which arose, and it was necessary to go to the county court to get a legal definition of the terms in the Act; but now that we have got it a case never goes to a court.

15,274. So that we may take it that it is an established custom now of valuation that where a man has farmed very highly for a number of years he gets some additional compensation in your district?—I will not say that it is an established custom, but it is a growing custom; it is a custom that I have been trying to introduce and have been fighting for.

15,275. And it is not seriously challenged?—That is so.

Arrears of rent.

15,276. (*Mr. Lambert.*) Is it not an overwhelming disadvantage that a tenant should get into arrears with his rent?—I do not know that it is. I think he goes on hoping against hope.

15,277. Is it not a great disadvantage to him?—I do not think so. I think very often it is an advantage to him to have a little credit.

The witness withdrew.

Mr. J. W. Broughton.

Mr. John William Broughton called and examined.

Mr. J. W. Broughton.

15,278. (*Viscount Cobham.*) You are a land agent and surveyor in the Skipton District of Yorkshire, I believe?—Yes, I am.

15,279. Are you a farmer as well?—No, I am not a farmer.

15,280. Then you have not had any practical experience of farming?—Yes, I have had some little experience.

15,281. The district that you wish to speak of comprises most of the Skipton and Settle Unions?—Yes, practically the Skipton Parliamentary Division, but principally the Skipton and Settle Unions.

15,282. That district comprises two or three large valleys or dales, I presume?—Yes.

15,283. Wharfedale?—Yes, and Airedale, the upper parts.

15,284. Is the land that you are going to speak of mostly land lying in the valleys and on the slopes of the hills?—Yes, on the hill sides, the mountains, and in the valleys.

Size of farms.

15,285. How large are the farms as a rule in that district?—A large farm is about 500 acres, and they come down from that to about 50 or 60 acres.

15,286. When you speak of 500 acres, do you mean that to include a run for sheep on the mountain?—No.

15,287. As a rule do they have mountain runs?—Some of the estates have what they call sheep gates, 40 or 50 sheep gates to a farm.

15,288. Common rights?—Yes.

15,289-90. What would be an average sized farm in the district?—200 or 300 acres.

Produce of farms.

15,291. What do they chiefly produce?—They breed cattle and sheep, they produce butter, they produce beef, and they produce mutton.

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15,292. Almost wholly from grass land?—Yes, I may say wholly from grass land. I do not think that in those two unions there is above 20 acres of arable altogether.

Tenure.

15,293. Under what tenure do they hold their farms?—Under the yearly tenure, they are all nearly year to year tenants.

Present position of the farmers.

15,294. Can you tell us what is the present condition of these grass land farmers?—The condition of the grass land farmers is that their capital is very much reduced, and that some few are pretty well bankrupt. I may say that their capital is reduced; that is the actual position of them.

15,295. They share to the full in the prevailing depression?—Yes.

15,296. When should you say that that began with them?—About 1878.

Reductions of rent.

15,297. What has been done to meet the depression?—From 1878 to about 1887, a very bad year, the proprietors met their tenants by reductions of about 10 to 15 per cent., after that forward they have had to make permanent reductions of about 20 per cent. up to now. I think the reduction now is about 20 per cent. on the rental of 1878.

15,298. Should you say that 20 per cent. is the maximum reduction?—I think it is about the average.

15,299. What should you say is the maximum reduction in cases that you are acquainted with?—There is one estate of which I have knowledge which was put up to the full of its value in about 1875, and it is now reduced about one half.

15,300. Fifty per cent. in fact?—Yes.

15,301. What are the rents at present of good average land in Skipton and Craven?—I have various farms on a list here with the acreage and rent.

15,302. Will you quote some representative cases?—There is one farm with a rent of 650*l.* in 1878, now 475*l.*, its size being 430 acres; there is another with 480*l.* rental in 1878, now 380*l.*, 240 acres; there is another, 514*l.* in 1878, now 350*l.*, 212 acres; there is another, 360*l.* in 1878, 310*l.* in 1894, 294 acres. On another estate belonging to the same proprietor, which is close to the larger towns and close to a railway station, 142*l.* in 1878 and 134*l.* in 1894, the acreage being 98. There is another farm adjoining that which is at the same rent as it was in 1878, 66*l.* a year for 45 acres. I can give you more instances of different classes of farms if you think necessary.

15,303. But those are fairly representative cases, I presume?—Yes, I think they are.

15,304. Do you know of much grass land that rents for less than 1*l.* an acre?—The higher lands rent for less than 1*l.* an acre.

15,305. The hill land?—Yes, the hill side lands—lands which grow ling or heather are from 5*s.*

15,306. I am speaking of old grass lands?—Well, they are let from 12*s.* to 15*s.* an acre, according to valuations that I have made.

15,307. In what way were the farmers particularly affected by the depression after 1878?—It has simply reduced their capital.

Fall in prices.

15,308. How did their losses arise?—Their cattle have fallen in price by about one-fourth since that time, sheep about one-third, wool has fallen from about 2*s.* to about 8*d.*, and butter which got up at one time to about 2*s.* per lb., I remember, now is about 1*s.* 3*d.* or something like that—1*s.* 2*d.*, perhaps.

Cattle diseases.

15,309-10. In addition to that have you suffered very much from cattle diseases?—Not to any great extent, except pleuro-pneumonia, for which they have been compensated.

15,311. Sheep rot?—They have suffered from that considerably—the flock masters, the sheep farmers lost a good deal of money by the fluke.

15,312. And resulting from pleuro-pneumonia there was a considerable stoppage of the markets of course?—Yes.

15,313. Had that a permanently bad effect?—I do not know that it had a permanently bad effect—it had a bad effect for a time, but I cannot say that it had a permanently bad effect. I think they got together again without any trouble after the restrictions were taken off.

15,314. The consumer and the producer got together again you mean?—Yes, after the restrictions were taken off. It affected them, temporarily, of course.

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Vacant farms and changes of tenancy.

15,315. Have many farms become vacant?—There are no farms lying vacant now. There have been considerable changes of tenancy.

15,316. Have many farmers lost their capital and been obliged to go?—Not very many; they have generally stuck to the land and are sticking to it now, although many are practically without money, in the hopes of better times.

Deteriorated cultivation.

15,317-19. Is there a much diminished outlay of tenants' capital on their farms compared with the time previous to 1878?—Yes, in the way of labour more particularly. They used to have lime provided by the proprietor which they carted on to the land and spread, and other sorts of manure. There has been nothing of that done lately; in fact, there has been practically very little improvement done by the farmers since that time.

15,320. So that the land has deteriorated to some extent?—The land is deteriorating, no doubt.

Expenditure on improvements.

15,321. That would be partly owing to the landlords being crippled as well as the tenants, would it not?—Yes, although the larger proprietors or landlords in our neighbourhood are very fairly liberal with regard to improvements, and lately they have begun to provide shelters for the sheep in the lambing season, and so on.

15,322. Are the buildings generally well kept up?—Pretty well, on the whole.

Reductions of rent.

15,323. Do you apprehend a continuance of the fall in rents?—I do not think they will go down very much further. I think in some instances they have got down to the bottom; in other cases they will come down a little further I do not doubt.

15,324. Then you think that if the present prices continue that would not necessitate a still further fall in rents?—No. If we have a year as good as last year we should maintain what we are getting now.

15,325. Last year was a good year for you?—A fairly good year, not a bad year at all.

15,326. I suppose it seldom happens that you have too dry a summer?—Very seldom indeed.

Expenditure on improvements.

15,327. Speaking of the landlord's outlay on buildings and repairs, does it fall more heavily upon him than it did?—Labour is more costly now by about 10 per cent. than it was in 1878—masons, bricklayers, and that class of workmen are better paid now than they were then, and farm labourers are also better paid.

15,328-30. Then the demands upon landlords show no signs of diminishing?—On the contrary, there is an increase.

Reduced labour.

15,331. Are fewer farm labourers kept than formerly? Has there been a saving in that respect?—I think very little, there is not much difference with them: they do not require very many men; I give you an instance; a farm of 475*l.* a year now with 430 acres; there would, perhaps, be kept two men and a lad on that farm, nothing more.

15,332. Then the farmer's families work on the farm as a rule?—Yes, they do.

15,333. Would they be paid wages, or would they be just kept?—Just kept as a rule; they would not be paid wages.

Large and small farms compared.

15,334-5. The result of that would be that on the smaller farms on the whole the tenants have held their own better than on the larger farms where they are more affected by the increase of cost of labour?—I do not know. I think the larger farmers in our neighbourhood have the cheaper holdings. The medium farmers as a rule are now almost without capital, I should think.

Wages.

15,336. What is the current rate of wages for an ordinary farm hand?—The current rate is from 20*l.* to 40*l.* a year. A good man will get 40*l.* a year.

15,337. And be boarded?—And be boarded as well; he will live in the farmhouse.

15,338. He will be a waggoner or a cowman?—Yes, a cowman and shepherd really—a man to look after the stock. A man at 40*l.* a year has a thorough knowledge of stock and knows how to look after and wait on them.

Tithe.

15,339. Has the tithe rentcharge as a rule fallen as an additional burden upon the landowner?—It has.

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15,340. He has taken it over and not got it back?—Yes; the tenants cried for a reduction and as a rule the landlords just reduced them by the tithe after the Act of 1891.

15,341. It has taken the place of a reduction of the rent?—Yes, and now it is a total loss to the landlord in very many cases.

Rates.

15,342. I suppose you would say in the same way that if there is a division of rates between landowners and tenant the same process very likely would take place in that event?—Yes, it looks so at present, unless times mend.

15,343. But still if a reduction of rent is necessary it does not very much matter to the landlord whether it takes the shape of his taking over some of the tenant's burdens, or giving a direct remission of rent does it?—No; but really in many cases the tenants do not seem to know the value of a farm. Many tenants who go on to a farm do not reckon the tithe until they get on to the farm, then they begin to see that it is a burden.

15,344. That was so formerly, but of course that impression does not arise now as they have not to pay it?—That is so.

15,345. You say in your brief that you think the division of rates will lessen the landlord's income. I do not quite see how it is to do that directly?—If a landlord gets once saddled with these things, they seldom get off his shoulders, that is all.

Importation of live stock.

15,346. Do you consider that the conditions of the importation of foreign live stock operate a good deal to the disadvantage of the tenant farmers?—Yes, they say so.

15,347. You mean, I understand, in the uncertain nature of the importation?—That has more to do with it than anything else, owing to the intermittent opening of the ports they do not know what will be the value of their stock in the autumn. They buy on in the spring expecting to realise a profit, but the ports will then perhaps be opened for live stock from Canada, causing diminished prices. Cattle here are brought on to the large pastures in spring to be sold off in autumn for further feeding.

15,348. It imports a great deal of uncertainty in fact into their business?—Yes, there is no doubt about that.

15,349. You say it is difficult to foresee prices?—There should be at least three months notice given before a port is opened.

15,350. (*Mr. Lambert.*) The ports have been shut for a very long time now, very much longer than three months, they have been shut for the last three or four years?—Yes.

15,351. (*Mr. Chaplin.*) You mean, do you not, that there should be three months' notice of their being re-opened?—Yes, that is what I do mean.

15,352. (*Viscount Cobham.*) Is it the opinion of farmers in your district that live stock importation should be stopped?—It is; they think that they would be able to do better if it were so, and that it would prevent disease.

15,353. Do they breed their own cattle for the most part?—There are a good many breeding farms in our neighbourhood.

15,354. Do they buy much lean stock from other parts of the country?—Yes, they do a great quantity, at this time of the year they are buying on to the large pastures.

15,355. Do they not buy Canadian store stock?—Yes, they are very willing to buy if they could now.

15,356. But they would be very willing to give up that advantage in order to put an end to the importation of live stock?—Yes, the farmers in our neighbourhood are afraid that the ports will be opened in the autumn to compete with them. That is really what they are afraid of. They do not know whether the ports will be opened or not and of course they do not know what price to give for the cattle now, there is no surety for them to realise a profit.

15,357. Do you see any mode of meeting the stress of foreign competition in cattle and sheep, or do those on whose behalf you are speaking? I suppose you are speaking the general opinion of your neighbourhood?—Yes, the general opinion of my neighbourhood.

Slaughter of foreign cattle.

15,358. What is the opinion?—Their opinion is that all imported cattle should be slaughtered at the ports—that is all.

15,359. There is no great demand for other protective measures?—They go in for protective measures; but of course, as far as I am concerned, I do not expect that they will ever come. I may say that three-fourths of the Council of the Craven Agricultural Society, of which I am a member, would go in for a protective duty. I do not say that on my own account.

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15,360. Would you say that is the case with people of all political opinions?—The landed interest and the farmers in our neighbourhood are pretty well of one political opinion on that point.

15,361. They are protectionists for the most part?—Yes, they are.

The Agricultural Holdings Act.

15,362. Can you tell us anything of the working of the Agricultural Holdings Act of 1883?—I know very little about it.

15,363. It is a dead letter, is it?—It is not much used. We do not use it in our agreements. We do not have any scale or anything of that sort in agreements. In fact there is so little improvement done that there is no need for its use. When used always, so far as my experience goes, the cases have been settled amicably.

15,364. Is there a prevailing custom in the district?—What for?

15,365. For compensation to out-going tenants?—No, I do not think there is any particular prevailing custom for compensation.

15,366. There is no arable land?—There is no arable land practically.

15,367. Then it is a very simple matter compared with what it is elsewhere?—Yes, it is a very simple matter.

15,368. There is no feeling of grievance or of insecurity with regard to their outlay upon their farms?—None at all, I think.

Technical instruction.

15,369. Has the county council done much for technical education in your district?—The county council have given us travelling dairy classes and also lectures on agriculture, which the schoolmasters, I think, have principally benefited by. They have gone to Leeds to have these lectures administered to them.

15,370. The result of that will be felt hereafter, it is hoped?—Yes.

15,371. As to the dairy classes?—As to the dairy classes, the young women who have gone to the classes have benefited materially from them, there is no doubt about that, but the older people do not seem to take them up with any degree of pleasure.

15,372. Was the butter-making of a primitive character previously?—Yes, to a great extent.

15,373. They are learning improved methods?—I think they are learning improved methods through the dairy classes.

15,374. Have they attended the classes well?—Yes.

15,375. I mean the people for whom they were intended?—Yes, thay have.

15,376. Farmers' daughters and wives?—Yes.

15,377. Have they succeeded in getting well qualified teachers?—Yes, they have, very well qualified.

15,378. Have you any suggestions to make for the further development of agricultural education?—No, I do not know that I have, except so far as lectures go.

15,379. Have they had lectures on the treatment of stock and the management of pastures?—They have had some lectures, but not very many; they might with advantage continue those lectures on that and also on horse-breeding, I think.

15,380. Have they been as successful as the dairy classes?—I think not.

The making of roads by tenants.

15,381. You have some peculiar local burdens, have you not, which you think may be reduced, such as the maintenance of *ratione tenuræ* roads by tenant farmers?—Some farmers in our neighbourhood have to make public roads through their lands or farms, and also to pay the usual rates as well, which we consider to be a burden upon the land and very unsatisfactory altogether. It should be done away with.

15,382. They have to make the roads?—Yes.

15,383. In the first instance?—Yes.

15,384. Any new roads have to be made by the farmers?—I am not speaking of new roads at all.

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15,385. They have to maintain them, you mean?—Yes, they have to maintain them.

15,386. And to pay the general highway rate?—To pay the general highway rate as well.

15,387. These roads that they maintain, are they public roads?—Public roads.

15,388. No matter what the traffic may be upon them, the frontagers have to maintain them?—Yes.

15,389. Of course, it ultimately falls upon the landowner?—I think when a tenant takes a farm he does not think very much about that, and so it really falls as a burden upon the tenant. He takes the land at its value, and does not consider in his taking anything about the road perhaps; it is very often so.

15,390. Is it a heavy burden in many cases?—Yes, rather. They very often have to be summoned for not maintaining. I have been employed by the magistrates once or twice on such questions to make reports. There is a road which runs from Skipton to Colne which is very much used—more used than any highway, I should think, in our neighbourhood—and the tenants through whose farms that road passes have to make the road, and they have to maintain it.

15,391. Is not that a main road?—It is a public road.

15,392. But not a main road?—No, it is what we call *ratione tenuræ*.

15,393. Do not the counties take over the main arteries?—In most cases they do. This is an old institution.

15,394. That road is one of the chief roads of the district, is it not?—Yes, it is. It is not the whole of the road from Skipton to Colne; it is only part of it. The very part I am speaking of now is the part from Earby to Kelbrook.

15,395. Supposing there is a great excursion traffic over it in the summer, the cost of that falls upon the tenant farmers adjoining?—Exactly so.

15,396. I suppose the County Council does not choose to take over these roads?—That is it. In one or two cases the proprietor who has farmed his own land has bought himself out—has bought his liability away.

15,397. One can hardly think that farmers can be so ignorant of the conditions of the farm they are competing for that they should not take that into consideration?—It is a hardship to a landowner in any case to have to make his road and pay his rate when it is a public road like that which I am speaking of.

Rates.

15,398–9. As to the ordinary rates, have they increased, or are they stationary?—I have not any statistics here, but the poor rates have gone down a little. The county rates have gone up a little.

15,400. On the whole, is there more paid in respect of rates now than there was 10 years ago?—Not very much; there is a little more.

Railway rates.

15,401. Have you any further suggestions to make for enabling the British farmer to meet competition—as to the cost of carriage, for instance?—I suppose the conditions will equalise themselves before very long so far as that goes, but certainly there was a grievance felt by our cattle dealers and farmers because they were paying more railway rates from the ports than the foreigners were, which is certainly a grievance.

15,402. Notwithstanding the Act of Parliament?—Notwithstanding the Act of Parliament. The Act of Parliament made short distance journeys for the farmers—it affected the farmers more than the cattle dealers—more costly than they were previous to the Railway Rates Act.

15,403. The Act of Parliament also provided that no preference should be given to foreign imports as such over home produce. Perhaps farmers do not know that; we have had evidence from other witnesses that there is a good deal of ignorance on that point?—They seem to think that they are paying more. Of course I am not speaking on my own account now. I do not know particularly about that.

Rents.

15,404. Do you consider that the outlook is at all hopeful; do you see any break in the clouds?—We consider that we have got down to about the bottom value again—we have got down to about the value of the rentals as they were before the Franco-Prussian War, which sent the rentals in our neighbourhood up to a fictitious value. They increased from that time up to 1878, and now they have got down again to the old level.

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15,405. Would the farmers benefit much by a general improvement of the trade of the country if that should take place?—No doubt they would.

15,406. Do you say from experience that that has been so?—Yes; the prices diminished a little at the time of the great coal strike, which affected our beef and mutton trade a little.

15,407. Did it immediately affect the price of local meat?—Yes.

Sliding scale of rents.

15,408. Have you any further suggestions to offer in the direction of legislation for the benefit of agriculture?—I have a note here that a sliding scale would in some cases be useful. I do not know whether that would obtain or not, I am sure.

15,409. A sliding scale of rents?—Yes; it would have to be ruled in our neighbourhood by the prices of beef, mutton, and butter.

15,410. Is that regarded with favour by the farmers?—Yes, I think so. I do not say that a sliding scale is favoured, but in some cases I suggest that it would be useful as used, for instance, in the Tithe Acts.

15,411. Do you think it would be quite feasible?—I see no reason why it should not.

15,412. Based upon the prices of dairy produce, beef, and mutton?—Yes.

15,413–14. Therefore a much less complicated calculation would be involved than in the case of an ordinary mixed farm?—Exactly so.

The marking of foreign meat.

15,415. Are you in favour of marking foreign meat?—Yes, I am distinctly.

15,416. In what way?—Naturally the consumer would buy English meat and give more for it than he would for foreign: as it is he does not know what he is buying.

15,417. How would you mark it; do you think every joint can be marked?—It should be, I think.

15,418. You have not weighed the practical difficulty of it?—No, I have not.

15,419.—Generally you are in favour of the marking of foreign meat?—Yes.

15,420.—And the buyer knowing what he is buying by some means or other?—Exactly so.

15,421. Are the beasts sold by auction as a rule in Craven, or how are they disposed of generally?—There are two auction marts in Craven, but they are principally disposed of in the open streets in Skipton Market.

Sale by live weight.

15,422. Is there any selling by live weight?—In the Skipton Auction Mart they have a weighing machine, but I do not think they often weigh. They do not give the weight when they are selling, at all events.

15,423. Do not the farmers see any advantage in it?—They do not, but they ought to. There is no doubt the butcher is a better judge of weight than the farmer.

15,424. Very little use has been made of the weighing machine then?—Practically none.

Repairs to buildings.

15,425. (*Sir Nigel Kingscote.*) Do the tenants in your district do their own repairs to their own buildings chiefly?—No, they do not.

15,426. The landlord does everything?—The landlord does the repairs to the buildings.

15,427. Has that been the case for some time?—Yes.

Restrictions in agreements.

15,428. Are there any restrictions as to cropping?—Yes. A farmer may not break up land for ploughing under a penalty of 10*l.* per acre; but at the same time the landlords in our neighbourhood have no objection to a tenant breaking up four or five acres without paying anything extra; they never have paid extra so far. But as a matter of fact, they have only begun this last four or five years to break up for ploughing.

15,429–30. (*Viscount Cobham.*) Good old pasture you are speaking of?—Yes; some farmers have begun to plough four or five acres for their own particular use—for oats and turnips.

15,431. (*Sir Nigel Kingscote.*) Is your district entirely grass land?—Yes; it is entirely grass land. There are three or four farmers that I know of particularly who began to plough these few acres for their own use—to save the miller's bill as a matter of fact.

15,432. I understood you to say that you would wish to see all foreign meat marked?—Yes.

15,433. Would it meet your views if everybody who sold foreign meat was licensed without the marking?—Licensed to sell foreign meat?

15,434. Yes?—No, I think it is best to be marked. I think the customer should know what he is buying.

15,435. You know there are great difficulties in that; I think you told Lord Cobham that you saw great difficulties in marking every joint?—No doubt there is some difficulty.

15,436. (*Mr. Giffen.*) You told us, I think, that rents have been permanently reduced in many cases and mostly fully 20 per cent.; and then you went on to say that the rents are still falling, and that the probabilities point to having reductions still?—In some cases.

15,437. Is that because of an opinion which you have that further adjustments of rent are necessary to meet the present prices?—Yes, I think there are some of the farms pretty high yet, and that they will have to come down, but the great majority I think have reached the lowest level.

15,438. And that is on the basis of present prices?—Yes, present prices, or rather I should say according to last year's.

15,439. In making this statement you are not anticipating a further fall of prices?—In what?

15,440. In the prices of produce?—No.

15,441. It is entirely with reference to existing prices?—Yes.

15,442. You are of opinion, I think, that buildings and repairs which fall upon the landlord are more costly now by 10 per cent. than in 1878. Do you mean the same buildings or the same repair which is done now would cost more by 10 per cent. than it would have done in 1878?—Yes. For instance, the ordinary estate labourer who would get 17*s.* or 18*s.* a week in 1878 will get now 20*s.* and 21*s.*

15,443. Then it is not really that the landlord has more repairs and improvements to do, but that the same repairs and improvements cost him more than they did in 1878?—Yes, they do.

15,444. Then I see in your proof that you are of opinion that times of depression always have been and will be, and you rather look to the turn of the wheel for improvement than to anything else?—Yes, I think so.

15,445. Does your experience and observation go far back with reference to times of depression?—My own experience is not very long as you may imagine. It is about 10 years' experience. But I have been on an estate all my life, and I have been in large estate offices all my life more or less.

15,446. That is the tradition of the office?—Exactly so.

15,447. That there are long cycles of years one way and long cycles another way?—Exactly so.

15,448. (*Mr. Gilmour.*) Would the sliding scale that you propose really cover, in your opinion, all that was necessary in forming your rent, in giving you a true basis as to what the rent should be in your country?—Yes.

15,449. Is your country a horse-breeding country at all?—No, not very much. A farmer generally keeps one or two mares, and perhaps half of the farmers will breed one foal in the season. That is about all the horse breeding we do, but I think they might with advantage go in for horse breeding, and it is generally thought so by the gentlemen and landed proprietors in the neighbourhood too, and some of them are taking it up a little more just now.

15,450. Has it been increasing of late years?—Not very much.

15,451. Do you get the benefit of a premium thoroughbred stallion in that part?—No.

15,452. And no demand for it?—No.

15,453. Then in your opinion there is almost nothing, except horse breeding perhaps, that the farmers might branch off into beyond the work that they are at present engaged in?—I think not, except a little cultivation; they might go in for cultivation just for their own purposes, and, as I said before, to save the miller's bill.

15,454. Would they do that in the face of what they must notice, that those who have arable farms are laying a very great deal down to grass?—Yes, I think they would.

15,455. On what ground?—It seems to be an advantage to those who have done it. You see straw is pretty dear; they might just get as much straw as they want. Then as to turnips, they send hundreds of sheep out of our neighbourhood on to turnip lands, and they might as well save that by putting them on to their own grown turnips. They send them away up to the east coast principally.

15,456. That would change their style of farming altogether?—Not altogether; they would simply turnip their own sheep instead of sending them away to turnip.

15,457. How do they winter their stock at present?—They do not winter very much stock. It is really a summer district.

15,458. They buy in the spring?—They buy in the spring, summer it, and sell in the autumn.

15,459. (*Mr. Chaplin.*) They buy a number of the dry cows from the dairy districts, do they not?—Yes, what they call laying off cows.

15,460. And then fatten them?—Not fatten them, they bring them round to calf, very many of them.

15,461. They do not feed them?—Some of the farmers have grazing farms, and they buy for that purpose in the spring, and sell off fat stock in the autumn.

15,462. With regard to the marking of foreign meat which you recommend, are you aware that a committee has just sat and examined into that subject, and made a report?—Yes.

15,463. Have you read their report?—I have not read it.

15,464. You are not aware of what their recommendations are?—No.

15,465. You are not able to say whether they meet your view then?—I am not.

15,466. Did I understand you to say that many farmers in the district were nearly bankrupt?—Well, they have lost all their capital—they have practically nothing; they go on by credit, and perhaps in many cases by borrowing at the bank.

15,467. At all events they are in a very bad way?—Yes, they are in a bad way. They are not in such a bad way as they are in the arable districts by any means.

15,468. However bad their condition, or comparatively better than other places, I gather that the drift of your evidence is this, that the real cause of the trouble is the fall in prices?—Yes, exactly so.

15,469. That is what lies at the bottom of it?—Yes.

15,470. And there can be no real remedy unless there be a rise in prices?—Exactly so.

15,471. Among the suggestions which you did make I understand you to say that what you consider to be of the most material importance of anything is that any live stock which is imported into the country from abroad should be slaughtered at the port of landing?—That is the feeling of the district.

15,472. Is that practically the unanimous feeling?—It is the unanimous feeling.

15,473. Are you aware that a deputation representing the Chamber of Agriculture and other representative bodies waited upon the Government, and represented their views upon the subject within the last few days?—Yes, I am.

15,474. Do you know what their views were?—Yes.

15,475. They would represent the views of the people on whose behalf you speak?—Yes, they do pretty nearly, exactly I think. I do not speak particularly on behalf of any class, I may say.

15,476. The object in view I understand being a double one; first, to prevent the possibility, as far as it can be prevented, of the re-introduction of disease?—Yes.

15,477. And in the second place to remove the uncertainty which this intermittent importation throws upon their trade?—Yes, that is the principal thing.

The intermittent importation is everything against the trade in Craven.

15,478. And the remedy that they propose for that is slaughter at the port in all cases?—Yes, or on the other hand to give three months' notice at the very least before a port is opened. I think I am very clear on that.

15,479. (*Mr. Lambert.*) Do you represent any Farmers' Club?—I do not.

15,480. What do you represent?—I am a member of the Council of the Craven Agricultural Society and Farmers' Club, but I do not represent them.

15,481. You describe yourself as a land agent, have you got a big estate in hand, or are you managing a large estate?—I manage a few estates, I am not exactly in partnership with my father, but we are closely in touch with one another, and he is agent for one of the largest estates, Sir Mathew Wilson's.

15,482. Is it all grass land?—All grass land practically.

Fall in prices.

15,483. How much do you consider that agricultural produce has depreciated?—Cattle have fallen one-quarter in value, and sheep one-third.

15,484. That would be from 25 to 35 per cent. would it not?—Yes, exactly. Wool has fallen from 2*s.* per lb. to 8*d.*

15,485. That is infinitely more?—Yes.

15,486. Something like 60 per cent?—Yes, that is a very great reduction.

15,487. How much is rent reduced?—About 20 per cent.

Reduction of rent and prices.

15,488. Can you give any reason why rent has only been reduced 20 per cent. whereas produce has gone down from 25 to 30, and to 60 per cent.?—I suppose the farms never get up really to quite top value.

Competition for farms.

15,489. Is there good competition for farms in your district?—Yes.

15,490. How many applicants would you get for a farm say of 150*l.* a year rent?—Probably about ten.

15,491. No difficulty at all in letting them?—No difficulty in letting.

15,492. Therefore it is probable having such competition that the land would be rented to its full value?—Do you mean now or when?

15,493. Now, or at any time?—Farms are not generally let by tender. In some cases they are, but on the larger estates they are not often let by tender.

Reduction of rent and prices.

15,494. So you think that the reason why rent has not depreciated to the same extent as agricultural produce is that farms 20 years ago were not rented high enough?—No, I do not say high enough, I said perhaps they were not rented up to their full value.

15,495. Then are they rented too high now?—I think that now they have just about reached the proper value, perhaps they will come down a little more yet.

15,496. So they are rented too high now?—It is rather a peculiar question to answer.

15,497. If you do not wish to answer any question I ask you please do not do so. You said that some farmers had lost all their capital?—Yes, they have.

Arrears of rent.

15,498. Have they paid any rent during that time?—Yes, they continue to pay the rent. Of course there are very many instances where they do not, and where they have been continuing in arrear for years.

15,499. Are they good farmers who are in arrears?—Yes.

15,500. Therefore the amount of arrears would mean that they were paying too much rent?—You see they have been crippled in many cases by having to pay really two rents, the interest on borrowed money, and the rent.

15,501. That is not the point, when a man gets into arrears with his rent, and he is a good farmer, how is that?—He is having to borrow money then and to pay a high rate of interest and that cripples him more than anything else.

15,502. So that some farmers have not been in a good position when they took the farms—they have had to borrow money?—Exactly so.

Tenants' capital.

15,503. Therefore the landlords in your part of the world do not look to see whether a man has got capital himself or whether he borrows it?—The landlords in our part of the world inquire into a man's character before they take him for a decent farm, and they take a man with capital of course in preference to a man who has no capital.

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15,504. But they do not mind a man who farms upon borrowed capital?—Yes they do.

15,505. Why do they take such men when they have 10 or 12 applicants for a single farm?—In some cases perhaps it is the son who applies for the farm; you see he succeeds his father, the father has gone off the farm, and so perhaps they take a man who is not quite so well to do in the world if he has a right in the way of being a son.

15,506. Yes, the son would naturally succeed to the father and succeed to the father's estate I suppose. However I will not pursue that question further. You stated that the tenants do not consider the burdens when they take a farm?—Yes, they do not consider them to the full as they ought to.

15,507. Therefore they have to pay that extra burden in addition to the rent which they have not considered?—Very often so.

15,508. That would mean that the land is let over its value?—Very much over its value, certainly, it would mean.

Sliding scale for rents.

15,509. Why do you think a sliding scale for rent would be useful?—The sliding scale for tithes has proved to be very satisfactory, I think, and it would be on the same lines.

15,510. Is there a demand for a sliding scale in your district?—I do not think there is any great demand for it.

15,511. Why would you advocate a sliding scale?—I said that I would advocate a sliding scale in some few cases perhaps.

15,512. In what cases?—I think more particularly in the case of small farms. I mean to say that if legislation were to bear on that question and say that there should be a sliding scale for farms, that in our district the sliding scale would have to be based upon what I said before, the prices of mutton, beef, and butter; that is what I particularly wish to say.

15,513. You say in your proof that you should equalise the cost of carriage of stock as comparing foreign with English?—Yes.

15,514. Have you any instances in which they are not equal?—I have not any statistics before me.

15,515. Do you think the tenant would be benefitted by division of rates between landlord and tenant?—Yes, I think the tenant would benefit in that case.

Reduction of rents.

15,516. (*Captain Owen Thomas.*) Would you say that the farmers are satisfied with the reduction of 20 per cent. which has been generally made in the district?—No, I did not say they were satisfied.

15,517. I ask you would you say so?—Generally speaking, I think they are not satisfied.

15,518. They are not?—No, generally speaking they are not satisfied with the rents as they are now, but they are a complaining class as we all know.

15,519. Are they applying now for further reductions?—Yes.

15,520. In a body?—Of course not to such an extent as they were a couple of years ago; I think they are more satisfied now than they were two or three years ago—very much so.

15,521. Would you say that they are able to make a living at the present time without borrowing or spending any of their capital in paying the rents?—As last year's times were with us, yes.

15,522. You think they could do so?—Yes.

Present position of farmers.

15,523. Which do you think has suffered the most, the traders or the tenants during the last 10 years?—They have both suffered—I should say they have suffered pretty well equally.

15,524. Would you say that the land is as well cultivated now as it used to be formerly?—No, I do not think it is.

15,525. Is it getting worse?—Yes, it is decreasing in value partly owing to the bad seasons. Perhaps the wet and bad seasons we have had for so many years have tended to sour the herb.

Labour.

15,526. Is as much labour employed on these farms as there used to be?—Not quite; there is very little difference.

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15,527. Is the quality of labour as good now as it used to be formerly?—Yes.

15,528. (*Mr. Everett.*) With regard to the labour, would outsiders from other agricultural counties have a chance of getting employment in your district at anything like those wages if they were competent men, do you think?—I do not think they would; they do not understand the class of work that has to be done in our district. There were some men imported—if I use the right word—from, I think, Warwickshire on the Gladstone Estate; they were not satisfactory at all; they were paid much less wages, and they had to go back.

15,529. Speaking generally, you would not think it advisable for a man living in a county, as I do, where a great many men cannot find work at all—good agricultural men—to send them up into your district in the hope of getting it?—No, I do not think so.

Characteristics of district.

15,530. (*Mr. Elton.*) You spoke of the district being valley land a good deal, but of course your district has a great deal of hill land with it?—Yes.

15,531. All that hill country about Settle?—Yes.

15,532. Great limestone farms?—Yes.

15,533. And all that Malham part?—Yes.

15,534. It is altogether sheep farming, I suppose, about the hill land about Malham?—To a great extent, not altogether.

Sheep and cattle gaits.

15,535. I want you to explain a little more about the local institution you spoke of, the sheep gait, just to get it clear. A great deal of the land in Yorkshire is held in common by owners of cattle gaits and sheep gaits, is it not?—Yes.

15,536. That is not the same as right of common, but is a sort of joint ownership of pasture?—The commons about us are principally stinted.

15,537. Are these sheep gaits that you were speaking of all stinted commons?—Yes, principally so.

15,538. But you have two kinds I have understood when I have been there. There is land on which the pasture belongs to a number of persons jointly which is one kind?—Yes.

15,539. Where the owners of the sheep gaits may be considered to be the owners of the land between them?—Yes they may. If it were to come to an inclosure, of course, they are owners of the land.

15,540. There is another class and that is more like what we call a common in the South of England where one person has the soil and the others have only rights of feeding on it?—Yes; but there are not many cases of that sort. The commons are principally stinted.

15,541. The Yorkshire custom is more to have shares of the pasture?—Yes.

15,542. Than what we should call in the south country rights of common?—Yes, exactly.

15,543. What I was driving at was this: that when you are talking of a farm with so many cattle gaits and sheep gaits to it you ought to add something to the size of that farm for the gaits because it is more than a right of common; it is really a large farm?—Yes, it is. Such a farm of say 100 acres would have perhaps 100 sheep gaits.

15,544. What I meant was that it is more than a 100-acre farm, because you see it is 100 acres severalty and 100 shares in a large piece of pasture?—Exactly so.

Breaking up grass land.

15,545. About that breaking up of the grass land, is breaking up bits of grass quite a new system, or has it been done for many years?—There had been nothing broken up until about three or four years ago for 40 years.

15,546. It is not a custom of the country?—No; but I think it will become so, and very useful to break up, as I said before, four or five acres on a decent sized farm.

15,547. Do you mean permanent breaking up, or breaking up for a crop or two?—Breaking up for a few crops.

15,548. I have heard of such a custom in the Midlands, about Sherwood, I think where there used to be a plan of breaking up grass for a few years?—Yes.

15,549. You think that that might become the custom in your part of the country?—Yes, I think it will become more common than it is at present.

15,550. (*Viscount Cobham.*) The land is excellent, is it not, for the growth of oats or turnips?—The land varies very much in quality.

15,551. The better land, the land that would be selected for the purpose, I mean?—Yes, there is land which is very good indeed for that purpose especially after being down in grass for so long.

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15,552. You think that it would benefit the farmers a good deal to break some of it up?—Yes, there is no doubt whatever about it; it is a general consensus of opinion.

Average rent.

15,553. (*Captain Owen Thomas.*) May I ask what the average rent is per acre?—I do not know exactly what it is; it varies very much indeed. The higher lands will perhaps be 5*s.* an acre, and the best low lands will be 4*l.* an acre. Accommodation land has not gone down very much; that is to say, land near a town or close to a village, or anything of that sort; and they can get 4*l.* an acre for that without difficulty. In the division there are 411,809 acres, and the rateable value is 397,744*l.*

15,554. (*Viscount Cobham.*) That includes all the moor land?—The whole lot.

15,555. Everything; woods, and so on?—Yes; everything.

Property tax.

15,556. Do you wish to add anything to your evidence?—There is something that I thought I might say about the property tax; that is, that the landlords should not pay property tax on the full of the rental, but rather on a rateable value, because, of course, they are paying on the full value of the rent without the deductions on it.

15,557. You are speaking of the landowners?—Yes, of the property tax. It should be on a rateable rather than on the full rental. By some land agents, myself included, it is considered that the rates should be on the same basis for Imperial, county, and local taxation.

Assessment to rates.

15,558. (*Captain Owen Thomas.*) Has the assessment been reduced since the reduction of rents?—Yes, it has. The assessment in the Skipton Union now is based on the rents.

15,559. Based on the rents?—Yes, with, of course, a certain amount of reduction. I think it is 10 per cent. off the rent. I do not think it acts fairly at all, because a man may pay 2*l.* an acre for one field, and for the next field, which is really of the same value, another man may be paying 4*l.* an acre; it does not seem to act fairly at all.

15,560–61. (*Viscount Cobham.*) Have you any better way to propose?—Let it go by valuation. I would have a re-valuation every 25 years or so.

15,562. Both for local and Imperial taxation?—Yes, and have the whole on the same basis, local, Imperial, and county. I do not see any reason why it should not be so.

15,563. (*Captain Owen Thomas.*) Is not the usual mode throughout the Union to assess the rates the same as the rental?—Yes, with 10 per cent. off. The Assessment Committee make their assessments in that way now.

15,564. It really depends on what a man pays in rent?—Yes, and not on the actual value of the land.

15,565. (*Mr. Elton.*) In many kinds of valuation the rent is taken as *primâ facie* the value, owing to the experience of mankind, that people generally pay about the value; but it is open to a person who says that it is not the true value to try and prove so?—Yes.

15,566. Do you see any objection to taking the *primâ facie* value as a convenient measure of value?—A large farmer may have some land which he pays 2*l.* an acre for, a lesser farmer may have some accommodation land, just one field we will say, at 4*l.* an acre adjoining, and of the same quality, and the other man has it at 2*l.*, simply because he takes it along with a large farm.

15,567. But unless one were to be always at it the easy thing would be to take the rent as the value and let the circumstances be proved by the persons interested. Let them say, "I ought not to be charged "on my rent because it is a special case"?—Yes, that is the easiest way; but sometimes they do not care to appeal.

15,568. It leads to occasional injustice would you say?—Yes.

Sanitary rates.

15,569. (*Viscount Cobham.*) Is there anything else which you wish to add?—I think the sanitary rates are a burden on the land, as Mr. Punchard gave it, in his evidence. I am quite of his opinion. The land ought

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not to be charged as the farmers get no benefit from the water supplies and drainage systems that are carried out for clusters of cottages; but still they are charged on the land at a quarter.

15,570. Are there some farms which come within the urban district, and are rated to the full extent for sanitary purposes?—Yes, in urban districts I think so; but it is the rural districts that I am speaking of more particularly.

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15,571. You say they derive no benefit from the sanitary rate?—They derive no benefit whatever from a drainage scheme for instance.

The witness withdrew.

Adjourned to to-morrow at 12 o'clock.

Twenty-seventh Day.

Friday, 6th April 1894.

PRESENT:

VISCOUNT COBHAM IN THE CHAIR.

The Right Hon. HENRY CHAPLIN, M.P.
Sir ROBERT NIGEL FITZHARDINGE KINGSCOTE, K.C.B.
ROBERT GIFFEN, Esq., C.B.
CHARLES ISAAC ELTON, Esq., Q.C.
Captain OWEN THOMAS.
FRANCIS ALLSTON CHANNING, Esq., M.P.
JOHN CLAY, Esq.
CORNELIUS NEALE DALTON, Esq., C.B.
ROBERT LACEY EVERETT, Esq., M.P.
JOHN GILMOUR, Esq.
GEORGE LAMBERT, Esq., M.P.
WILLIAM CUTLACK LITTLE, Esq.
WALTER HUME LONG, Esq., M.P.
CHARLES WHITEHEAD, Esq., F.L.S.

HERBERT LYON, Esq., *Secretary.*
R. F. CRAWFORD, Esq. } *Assistant Secretaries.*
FREEMAN THOMAS, Esq. }

Mr. CHARLES WILLIAM SMITH called and examined.

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15,572. (*Viscount Cobham.*) Will you tell us what means you have had of forming an opinion upon the subject that you are going to give evidence upon?—The futures and options systems were first introduced into the cotton trade of Liverpool in the year 1875, but I can go back to the year 1862 when I first went into business. I have been in the systems from their infancy since they were introduced from America into this country, and have watched them and have written upon them.

Experience of the "options and futures" systems.

15,573. You are in the wheat business yourself, I understand?—I have been a general broker in Liverpool, where they deal in almost all articles of produce all over the world.

15,574. From what time?—From 1862 up to 1890. I have also been the editor of a Trade and Finance Circular issued every week; and naturally I have to keep myself *au fait* on every single thing that goes on both in the financial world and in the commercial world.

15,575. During the time that you are going to deal with, you have had practical acquaintance with this system of futures and options?—From its very introduction into the country.

15,576. Will you describe to us, as clearly as you can, the growth and character of that system?—It is a system which was introduced into the cotton trade first of all about the year 1875; then it was introduced into the sugar trade, about 1880 I should think; then it was introduced into the Liverpool grain trade about 1883, as a system, but it was not introduced into the grain trade in Liverpool as under a registered settlement house system, combined with daily differences in price, until the year 1888 to 1889.

Growth of the systems.

15,577. (*Mr. Giffen.*) Was that the beginning of the system of having such dealings in this country—were there not similar dealings in pig iron at Glasgow?—Yes. They go back to about 1852. Pig iron in Glasgow is the earliest case; but that is not the same thing exactly—that is done in warrants. The statement that I have prepared brings out that most forcibly. In 1844 these very systems of gambling and speculating in produce, both by statute and by common law were forbidden in this country—in 1844, that was two years prior to the repeal of the Corn Laws in 1846. Therefore the gambling that went on in pig iron in Glasgow, which as far as I can trace, commenced, I think it was, in 1852, had to be kept within the law. The difference between gambling in warrants in the case of pig iron, and in options and futures in the case of food products is very great. One is legal tender, it is recognised by the banks as legal tender, and evidently when the rules were framed for gambling in pig iron after the passing of the law which both at statute and common law cancelled all the gambling in these different commodities, they had to frame their rules in Glasgow in reference to pig iron, so as to keep within the law.

Difference between gambling in pig iron warrants and options and futures.

15,578. (*Viscount Cobham.*) What is the substantial difference between the two systems?—That is a most important point. I say in the paper which I read before the Central and Associated Chambers of Agriculture: "As regards gambling in pig iron—which "industry was the first to be attacked—let me refer to "one important factor in connexion with that metal "in the shape of 'Warrants' in comparison to "gambling in 'Options' and 'Futures' in wheat and "other farm products. The former are only dealt in "for cash or for one month's delivery, and represent "actual iron in stock. Consequently each warrant is "a legal stamped instrument, and against it banks "make advances in the ordinary way. But, remember, "this fact does not stop rampant speculation without "the transfer of commodities." They have instituted a similar plan in the last few years in pig iron, exactly in the same way as you gamble on the Stock Exchange; that is, you carry over, do you see, if you are short or if you are long. Therefore, although these laws were framed, they have been undone on that point by operating in warrants of pig iron, exactly in the same way as you can speculate on the Stock Exchange.

15,579. (*Mr. Giffen.*) Then the effect of your evidence is that there has been gambling in pig iron for a long time, but not of so extended and so elaborate a character as you think there is in cotton and grain now; is that the effect of it, or is there something very different in the gambling in cotton and grain?—It is quite different. I say in my paper from which I have already quoted: "Hence, although this system of

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"gambling in metals has for the past 20 years been "acknowledged as one for depressing values, and in "consequence of which legislation some years ago was "proposed, besides causing wide and unnatural fluc- "tuations in values, inflicting injury thereby not only "on the manufacturers and traders but also on the "producers; still, it is not so ruinous, as I shall "explain (although serious enough), as the gambling "contracts in food products and other articles of "agricultural produce. These latter"—that is, the Futures and Options systems—"hardly ever carry any "actual stocks. They are sold many months ahead, "even before the seed is in the ground. They are not "a legal instrument, nor are they recognised as such "by our banking institutions. Hence, they must have "even a far more ruinous and lasting effect on values, "and on our manufacturers and producers, than the "gambling in 'Warrants' in pig iron."

15,580. Then it is the system of Futures that you are specially attacking; is that so?—Yes, exactly. I simply wished, as you mentioned the subject of pig iron, to show you that, although the system of gambling in pig iron has been for some years acknowledged as one for depressing values, still it is not so ruinous as the system of gambling in Options and Futures, for the reasons I have given you.

The systems from an agricultural point of view as compared with stock exchange gambling.

15,581. It is not the ordinary gambling such as takes place on the Stock Exchange that you are specially aiming at, so much as the systems of Options and Futures; is that what we are to understand?—Undoubtedly. I hardly dwell upon the system of gambling on the Stock Exchange. I am simply taking the subject up from an agricultural and commercial point of view, in order to prove the depreciation and the ruin which these systems are entailing.

15,582. What I wish to get at now is the exact nature of the gambling which you are attacking?—It is the systems which have sprung up in the wheat trade principally and in other trades.

15,583. Then I wish to ask you about sugar; you spoke of gambling in that beginning in Liverpool in the year 1880?—I think it would be a little before 1880.

Sugar gambling.

15,584. Was there not a large amount of gambling many years ago in Greenock in sugar?—I do not know.

15,585. Exactly of the same nature?—I am not saying a single word about gambling in itself. The basis of the commercial world is speculation, but you must remember that before these systems were introduced all people I suppose in the commercial world were "bulls"—that is, they were all interested only in a rise; but under the systems which have been introduced into the commercial world and the financial world the "bear" stepped in.

15,586. Then it is a special system of speculation that you are attacking?—Entirely.

Legitimate speculation.

15,587. Not speculation in general?—Most distinctly not, because under the old systems (and that is what I am prepared to prove) in every article of produce prior to these Futures and Options systems being introduced, all speculators only operated for a rise, and hence any manipulations of the speculations that were carried on did not hurt the producer or the farmer. It is only since the systems have been introduced into these various trades that the farmer and producer have been made absolutely the spoil of the gambler, because the "bear" has been introduced.

Explanation of the option, future, and settlement systems.

15,588. (*Viscount Cobham.*) I think we shall understand that better if you will describe as clearly as possible the system which you are attacking?—The systems I prominently bring before you are those which are now termed the Option, Future, and Settlement systems, introduced into this country in 1883 as the basis for moving, manipulating, and importing foreign wheat and other commodities, and I believe that in them, combined with the enormous gambling in these commodities throughout America and England, which has as a natural consequence arisen out of these systems, the main and principal cause for the present and late enormous depreciation in the value of agricultural produce, and especially of wheat, may be found. I may mention that about the year 1875, when these systems were first introduced from America into the cotton trade in England, the older business men of that day termed them "time bargains," a name which expresses exactly what they are. The most important features of the systems may be described as the forestalling of crops by selling them before they are grown; the sale for future delivery of produce which the sellers do not possess, and do not intend to deliver; an enormous amount of reselling without the transfer of commodities, resulting in rampant speculation; a method of hedging on behalf of importers conducted after the professional betting man's plan of bookmaking; the multiplying of crops on paper 40 to 50 times larger than the actual crops grown by farmers; and the establishment of clearing houses in which a daily or weekly settlement of sums due on variations in prices is effected. The systems were introduced after the American fashion into the Liverpool Grain Produce Exchange in 1883, but were not extensively used, combined with a settlement system till 1889. The London Produce Clearing House was registered in 1888, but was established some years prior to that year.

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15,589. (*Mr. Giffen.*) Might I ask how they were settled before that settlement system was introduced?—Before the settlement system was introduced from 1875 to 1883, actual produce used to be tendered against those contracts.

15,590. So nothing happened under the contracts until the time for delivery came?—Exactly, until the delivery came, that is, if you sold a May-June delivery, for instance, or a July-August, or August-September delivery, in the month of April, we will say—now—those contracts were never liquidated prior to this settlement system until actual produce was tendered against those systems.

15,591. Now, under the settlement system, as I understand, the difference in the price at the moment, compared with what it was when the contract was made, is made the subject of settlement, and the one man has to pay to the other, according as the balance may be?—I can do contracts with every gentleman in this room from 10 o'clock in the morning till 4 in the afternoon, and by next week, by next Thursday, by buying and selling from all of us, every contract within the one week would be run out under the settlement, and those contracts would absolutely cease to exist without any produce being tendered against them. There are thousands and thousands of contracts constantly run out on various days.

Explanation of the present systems.

15,592. (*Viscount Cobham.*) Or carried on, as the case may be?—No, it is compulsory. Say there are 300 men in this room, and we trade together every day, or 20 times during the day, in these bits of paper, in these Futures and Options, at the end of the week, that is, once a week there is a settlement, and it is compulsory that there should be a settlement upon all these contracts that fit in, that is to say, if I have bought from you ten thousand contracts, and you have sold to me ten thousand contracts of the same months, those ten thousand contracts between you and me are wrung out. I may explain that the contract which is ruling in this country now is a contract that is really my contract. We had a very terrible state of things in 1878 in Liverpool. Under the old systems, when it was compulsory for commodities to be tendered against actual produce, the liability of the contracts had not run out, and we had a great panic in that year. The consequence was that there were a large number of failures, and although people had bought and sold—for outside constituents you see—and although those people had made profits, those profits were not due until the ripening of the contract and the actual contract was liquidated by actual produce, so that although you made 5,000*l.* or 10,000*l.*, we will say, on Futures and Options contracts, still you never got your profit as an outsider, and no more did I as a broker trading under the systems, until the month July-August, that is four or five months later, came round. The consequence was that there was a celebrated case called Cooke v. Eshelby brought by a trustee under a bankruptcy against a broker in Liverpool. The question was taken up to the House of Lords, and great expense was gone to over it. When I saw that system was absolutely growing so enormously in this cotton market and extending to other markets, I brought it before our Association, and I told them that if the thing was going on, no man dare trade under those systems. The consequence was that a committee was formed, and a new contract was made out which makes every man under that contract himself liable, do you see, as his own principal under every contract, so that there was no going behind anybody, and, therefore, under the settlement system every contract is wrung out compulsorily.

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The settlement is now week by week, and that is the way these contracts are liquidated. Therefore we run the risk only now of one week's differences.

15,593. Then this system was introduced as an improvement upon the previous mode of settling speculative business?—On account of that.

Basis of the various settlements of wheat, cotton, and the stock exchange.

15,594. (*Mr. Whitehead.*) Might we have now what is the basis of these settlements?—In the grain markets in Liverpool, and I believe in London also, it is a daily settlement. In the Liverpool Cotton Market and other markets it is a weekly settlement; the oftener the settlement is the greater the danger to the article dealt in. Therefore grain coming under a daily settlement the effect is far more injurious than is the effect in the case of those products which come under a weekly settlement. You know what the effect of the fortnightly settlement on the Stock Exchange is. I do not care whether it is on the Bourses on the Continent or in this country. You will always see, as a rule, unless there is some very strong reason for the contrary, the markets weaken or go quiet two or three days prior to the settlement: they say, "pending the settlement the markets have gone quiet." Therefore you can imagine what it is if you were an outside constituent, anywhere you like, in any part of England, or on the Continent, or in America, or anywhere—many of them do business through a London or a Liverpool house—and you have a daily settlement, and you have any grain Futures, and the markets keep going down; and I telegraph to you, "remit me 200*l.*," or "remit me 300*l.*," at last you say, "Sell out." Therefore it is far worse in the grain markets having a daily settlement, as they have in America and in Liverpool, than it is with a weekly settlement, as in cotton. Of course, it is quite bad enough, either for a fortnightly or a weekly settlement.

Explanation of contracts under the systems.

15,595. (*Mr. Giffen.*) Have you a copy of the form of contract?—I have not got one with me, but of course that is a most important thing. I can give it you as far as grain is concerned. I think as far as grain is concerned in America there is only what you would call grain up to No. 2 Grade which can be tendered on these contracts—that is, you may say, an infinitesimal part of the total wheat crop of America. The same practice is in existence in Liverpool.

15,596. I think what we should like to see would be a copy of the form of contract so as to know what people are really dealing in?—Wheat of a grade coming below No. 2 cannot be tendered, and has to be sold by sample.

15,597. What is the obligation—to deliver it at the end of the week?—You cannot deliver it, because it is not grown in America.

15,598. Then what is the obligation?—It is simply a gamble in the prices of commodities.

15,599. Yes; but how is the contract expressed? A. B. buys of C. D.—what does he promise to do?—I sell to you, and you return to me a contract: "I buy from you." If you and I were brokers in the Produce Exchange of Liverpool or London, you would return to your constituent, who might be in the country anywhere, another contract. I should also return a contract, and those contracts are exchanged.

15,600. What is said about the date of delivery in the contract?—May–June delivery, or June–July delivery, or August–September delivery, or November–December delivery.

15,601. How can that contract be settled within the week, and what is the mode by which it is settled within the week?—That is what I have tried to explain to you. It is wrung out by the aid of the settlement itself, each party to that contract being his own principal.

15,602. That is to say, one contract will be set off against another, as I understand it?—Quite right.

15,603. That is what is done?—Yes.

15,604. One contract is set off against another?—Yes, of the same month. If you and I have done 50 contracts in the week, we will say, for a September-October delivery, wheat or cotton, or any article of produce you like, at the end of that week all the contracts that fit in, do you see, are run out, and so that contract has absolutely ceased to exist.

15,605. What about the contracts that do not fit in?—They are carried on from week to week.

15,606. Then are new contracts made?—You make the contracts every minute of the day, if you like, or every quarter of an hour in the day. There is an enormous quantity; nobody knows the per-centage that has been wrung out at the end of a particular week. If you and I had very large transactions together as two brokers inside the Produce Exchange, you and I would make up our minds to do as much as we possibly could together in order to have our liabilities cease.

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15,607. Then the American system is that they have daily settlements to find out what contracts may be set off against each other; and the system in Liverpool at one time was that you had weekly settlements?—That is in cotton.

Difference between Stock Exchange gambling and the systems.

15,608. The difference between them is that the one is weekly and the other is daily?—Exactly.

15,609. And the difference between them and the London Stock Exchange is that the London Stock Exchange has a fortnightly settlement?—Yes.

15,610. Except in Consols, where it is monthly?—Yes, exactly: but the ordinary system, you may say, is a fortnight. Therefore you see you reduce your liabilities as a speculator upon these various Exchanges—in the grain markets to one day, in cotton to a week, and on the Stock Exchange to a fortnight.

15,611. The whole effect is that you set off one against another, and only deal with the balance?—Yes, we only deal with the balance.

Compulsory delivery.

15,612. (*Mr. Little.*) Could you under any circumstances compel the delivery of the article you bought?—Undoubtedly; if you buy a thing you can compel delivery.

15,613. Then if you buy on this note wheat from A. for delivery in June, do I understand that you can insist upon the delivery?—Most distinctly you can insist upon it if you like.

15,614. Then you are not obliged to settle?—Yes, you are; you settle any differences week by week.

15,615. Suppose there is no difference; suppose I buy of you 1,000 quarters for May–June, and do not sell any, and I require to have those 1,000 quarters?—I should pay you every week any differences, or you would pay me, as the market went up or down.

15,616. But would the contract still hold to deliver the goods?—If it was run out, you mean to say? Suppose you buy from me this April 1,000 tons of wheat to be delivered in July–August, and you are going to insist upon delivery, can you do so? You can insist upon it when July and August come round.

Explanation of margins and differences.

15,617. What takes place in the meantime?—I pay you on every fluctuation daily, or you pay me, as the market goes up or down.

15,618. That is the margin?—The margin of the fall and the rise in the market.

15,619. But still you can insist upon the performance; you can insist upon the actual delivery of the goods purchased?—Undoubtedly the buyer can.

15,620. (*Viscount Cobham.*) He never does, does he?—Hardly ever. I have been an operator in almost every article of produce certainly from 1875, which is since the introduction of the systems, that is for 19 years, and I have been a partner in a firm with a quarter to half a million of money, dealing in all those things; and I can say, I think, with absolute truth, that I have never seen delivery demanded, and I have never seen the seller give delivery on any option contract at all, except in one year, 1886, when I attempted to make a corner in cotton. Then I demanded a delivery, with the object of cornering the market; but that was an artificial thing, which, as a rule, never happens.

Explanation of cornering and the tendering clause on contracts.

15,621. In fact it is only when cornering comes in that the actual delivery is demanded?—That is all, as a rule, or under certain financial reasons. For instance, if you had done an enormous business on this system, and bankers were pressing you for money, or you wanted some bills, or something like that; then you would have to sacrifice, as a rule, your property, you see, and make the tender.

15,622. It may very well be that the actual wheat subject to the contract is no longer to be had?—That is the great point which I was telling you about, that no wheat which does not grade up to No. 2 can be tendered on these contracts, and as the smallest per-centage of the total crops of wheat grown in America ranks under No. 2, the whole of that business done in America is done speculatively and it is impossible to

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tender against the contracts. That contract holds good in Liverpool also.

15,623. Is graded wheat solely the subject of exportation from America?—No, you can import any class of wheat; but the basis of these option and future contracts is that no grade can be subject to them which does not rank as No. 2, the lowest grade in which option trading is carried on. Mr. Wood Davis, in America, in giving his evidence said, "that 98 per "cent. of the wheat grown in Kansas"—that is the biggest wheat growing country in America—"in 1892 "was below grade, and had to be sold by sample. "Yet," he went on to say, "the prices of the entire "crop were ruled by those prevailing for the very small "proportion of the crop sold many times over under "the option system, for it is only the price of graded "wheat which is quoted in the market reports." Therefore you see there is all this business carried on in that way, and nobody knows what it is. In America they estimate fictitious crops of grain as being sold 50, 60, or 70 times on bits of paper over and over again under this settlement system. The same in this country, the same in Berlin, the same in Paris; but to a smaller extent. The quality grown is below the grade in which you have to tender on these contracts. Therefore it speaks for itself. It reduces itself to this: that they are simply issued as gambling bits of paper contracts; that is gambling in the *prices* of commodities.

15,624. (*Mr. Giffen.*) Are the obligations to sell outstanding at one time 50 or 60 or 70 times the crop?—That you cannot get at. In America of course they keep everything as dark as they possibly can on this subject, the same as they do in this country. I have got no end of evidence here on these very points that you are asking me.

15,625. I wish to understand exactly what you meant by your statement that there was 50, or 60, or 70 times the crop sold; and I wish to know whether at a given moment there were obligations to deliver 60 times or 70 times the quantity of crop?—Not at the same time.

15,626. Not at the same time?—No; certainly not. That is the number of times it is sold in the 12 months.

15,627. (*Mr. Chaplin.*) Why is this basis of options and futures limited to that particular grade of wheat?—For the basis of the gamble.

15,628. Merely for the object of gambling?—No doubt about it: in the same way that in 1875 or 1878 the contract for cottons, about which I have most important evidence, when it first originated in Liverpool, had what is called the "good ordinary" clause, that is, nothing below "good ordinary" could be tendered; but that did not suit certain gamblers whom I am perfectly prepared to give all particulars about, and they raised that to "low middling," that is a higher grade. Therefore you see that they could make a corner very much easier, or do a larger gamble with a less quantity of cotton to be tendered. They could make their manipulations and they raised the standard. Now take this question of the Lancashire cotton industry which I dwell on as it is most important, and which I have written on for 10 or 12 years, and brought before Lancashire and the various leading men in the country. In Liverpool the future cotton contract is the only contract in the world which has a tendering clause limited to "low middling." That is the reason why I estimate that the spinners and manufacturers alone of Lancashire from 1878 to 1890 lost a profit of 15,000,000*l.* sterling by that gambling action. What did they do when there was short time in Lancashire owing to these corners? By these contracts they let their Eastern competitors and they let America be free. Those countries were doing the business of the world while Lancashire was standing still for months and months during those corners; and from 1878 to 1890, owing to that contract in Liverpool being framed in that way the trade for 8 years out of those 13 was absolutely brought to a standstill by strikes sometimes lasting two, three, four, or five months.

Liverpool cotton contracts and explanation of corners.

15,629. (*Mr. Giffen.*) Then that was a bad definition of the article in the contract; the definition ought to have been wider?—It was done on the instigation of the gamblers themselves in order to create a gamble, as I am prepared to prove.

15,630. Still there must be a definition of some kind or you could not have dealings in these articles at all—they must be very clearly defined; is that not the case?—I simply sell you "10,000 bales of cotton, "nothing below 'Low Middling' to be tendered," that is the contract, and you buy from me "10,000 bales "of cotton nothing below 'Low Middling' to be tendered," you and I sign it and the contract is done.

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15,631. But there must be something more than that to interpret the contract because if there are different qualities the buyer is not going to take anything except the quality he has paid for?—The buyer never does take it; for the last 15 years, except in corner years, there has been, you may say, absolutely no tender on behalf of the seller and no wish on behalf of the buyer to accept a single pound's worth of stuff against it.

15,632. Still there is a power of taking it?—Undoubtedly, but it is never taken advantage of, or hardly I would say, except in corner years.

15,633. (*Mr. Clay.*) If I buy wheat why do they not form the basis of the operation upon No. 1 wheat?—It would not suit the gambler.

Basis of operation in wheat contracts.

15,634. Is there too little of No. 1 wheat grown?—The higher you can raise the tendering clause—that is the minimum tendering clause—the easier it is for these big operators in America and elsewhere to manipulate these paper contracts. The higher you can get it the more certainty there is that they can run a corner.

15,635. The quality of the Dacota wheat is higher than that of the Kansas wheat, is it not?—There may be a slight difference in grades of wheat. I have read to you what Mr. Wood Davis says, namely, that in Kansas alone 98 per cent. of the wheat grown in 1892 was below grade.

American evidence on grades of wheat.

15,636. Is Kansas wheat not inferior to Dacota wheat as a rule?—I suppose it may be a little.

15,637. (*Mr. Chaplin.*) What I understand you to mean is this: that this limit to a particular grade of wheat is and must be purely for gambling purposes to facilitate the gambling?—When it was first instituted in this country, as I have explained, actual produce had to be tendered against it, and then it was legitimate enough. I am not wishing to stop the options and futures, all I am wishing to do is what the American Anti-Option Bill, which is now before the House of Representatives, proposes to do. They propose to say that if a man sells these things he must deliver against it. If you do that it does not matter to me how the wheat crop is moved from America or any other country into this country as long as it is moved, being a necessity for this country, as it is now; but by making it compulsory on behalf of the seller to tender the actual stuff against that contract, you rob anybody of the power of selling hundreds of thousands of pounds worth or millions of pounds worth either by fictitious contracts or by a fictitious quantity of grain which never exists except on a bit of paper, and which reduces the business to one of gambling on paper in the prices of commodities. It is that fictitious quantity of grain that is floated on paper all over the world under a daily settlement, and under a registered settlement system, which is the cause of this depreciation in value. I have written on the subject for 10 to 15 years and prognosticated these things in every word I have written of it.

Proposed legislation on the systems in America.

15,638. (*Mr. Long.*) Would it not be right to describe the system that you want to attack as that under which, as opposed to the system in pig iron, which you have already described, people sell only that which they have not got?—There are leading men in England, you know, who will tell you that the depreciation in values in the case of pig-iron for which legislation some 15 years ago was proposed exactly on the same lines that I am taking now, has been the cause of the ruin of the iron industry.

Proposed legislation on pig iron gambling.

15,639. What I understood you to say just now, in answer to a question from Mr. Giffen as to the gambling in pig iron, was that in that case there was a warrant and behind the warrant there was a deposited article?—Yes.

Difference between gambling in pig iron warrants and options and futures in wheat.

15,640. That that warrant was regarded by the banks as security against advances?—Yes.

15,641. It was legal tender for an advance?—Yes.

15,642. But in the gambling in options for wheat there was in the first place no warrant?—That is so.

15,643. And in the second place no deposited article?—That is so.

15,644. Because in many cases it was not grown?—Yes, that is so.

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15,645. Consequently they were gambling in things which had no actual existence of any sort or kind?—Not worth the paper they were written on.

15,646. Exactly; does it not follow from that that the distinction between gambling in pig iron on the Stock Exchange and gambling in options and futures in wheat consists mainly in the fact that behind the one the man who sells has an actual article which is available for trade purposes, whereas in the other case he has no article at all?—He has none at all; but I would explain to you that in the pig iron you see they beat the idea by dealing like they do on the Stock Exchange, although a warrant is a legal tender with the banks. I would do for you as many contracts as you like in iron and never pass any commodities at all from now up to the 31st of December, although I will deal every day with you. They work it therefore on the same system that you work on the Stock Exchange; it is abused in fact.

Comparison between pig iron gambling and Stock Exchange gambling.

15,647. (*Mr. Giffen.*) On the Stock Exchange and in the pig iron market they do sell what they have not got, and people buy, but they have not got money to pay for it, just as is the case in your market?—No doubt.

15,648. (*Viscount Cobham.*) But the iron is in existence?—The iron is in existence; it is in absolute stock in Glasgow.

15,649. (*Mr. Giffen.*) We have Options and Futures on the Stock Exchange, have we not?—But the case is entirely different; I am talking here of an imported article.

15,650. (*Viscount Cobham.*) You have got a great many more facts to bring before us, have you not?—Of course I have.

Decline of markets in the interest of importers and bears.

15,651. We have heard nothing about the system of hedging, for instance; will you kindly go on with your statement. I think we understand now what Futures and Options means?—Of course, in reference to Options and Futures, it is most important to draw your attention to this, that it is in the interest of all sellers of Options and Futures that they should go down. It is entirely in the interest of the bears, for instance, who can sell any amount every minute of the day that prices should go down. It is also, to a certain extent and to a growing extent, in the interest of the importers (who are the principal bears of wheat in this country) if the business is on the basis of the sales of Options and Futures, that the price of Futures should also decline.

15,652. Will you explain how that is; it would make it clearer if you took a transaction from the moment the importer made his contract and followed it through?—I have an extract here which bears on that:—"To the "uninitiated it would seem that a contract made by one "dealer to deliver to another, on a certain day, a "certain quantity of produce could not be turned to "fraudulent purposes. But it is on this basis of a "contract, made between two dealers, that the whole "system of gambling in commodities is carried on. A "class of contract is in use known as 'Options' and "'Futures,' under which one dealer contracts to buy "from or sell to another a certain commodity at a "future date, when it is understood that the first has "none of the commodity in question and will have "none to deliver at the fixed date, and the second does "not wish to obtain any of the commodity which he "has contracted to receive. But it may be asked how "can two men enter into a bargain about a commodity "which has no existence at all? The reply is that "they do not in reality make a bargain about the "commodity, but about its price. A. says to B., 'I "'will take 1,000 tons of corn from you three months "'hence at such and such a price.' B. contracts with "A. to deliver the corn at the date fixed. When the "time arrives B. has no corn to deliver, and A. does "not want any, but the current price of corn is not "now what A. contracted to pay. If it is more B. "pays to A. the difference, if it is less, A., who is "bound to take the corn at the price agreed on, pays "to B. the difference between the current price and "the price of the contract. It will thus be seen that "there is no need whatever to exchange a ton of corn "in order to close the transaction. It will further be "seen that the transaction resembles a bet upon the "course of the corn market, that it is an agreement on "the part of A. to pay if corn falls, and on the part of "B. to pay if it rises. For the purpose of enabling "these transactions to be carried on systematically, "clearing houses have been established in most "countries of Europe. Here, obligation can be set off "against obligation, the difference is paid, and the "parties to the contracts are free to enter into new "speculative engagements. The Produce Clearing "House of Liverpool and that of Mincing Lane, "London, the French Caisses de Liquidation des "Affaires a Terme, and the German Warren Liquida-"tion Kassen, are of this character. These institutions "have their use for transactions which are of a genuine "commercial character, which deal with the exchange "of actually existing commodities. But they also "afford facilities for that species of dealing which we "have described as betting on the market, and which "may, without injustice, be termed commercial "gambling. The system of 'moving' the crops of the "world by means of future transactions had its origin "about the year 1875."

Explanation of a transaction.

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15,653. (*Mr. Giffen.*) This is not as to the point you were asked to explain, is it?—That was simply as to a special transaction between A. and B.

15,654. (*Viscount Cobham.*) What we wish to do is to follow out one of these transactions to the end. Take a crop that is grown or that is being grown, and that has been bought ahead by an importer; what does he do?—It may be interesting to give the details and basis of such an operation between the importer and his banker. The former draws, say a three months' bill, on the latter, on the absolute understanding that actual produce is to be shipped against the value of that bill, and further, that Futures are sold against the produce as a hedge by the importer, in case of a decline in values prior to or after the produce has arrived in England. Thus the credit house feels doubly secured in the event of the market value of such produce either declining or rising. If the market declines, the house knows that the importer will be able to make such profits on his future contracts as will probably cover the loss on the fall in his actual produce, and will thus recoup himself for the latter. This profit on his Futures the importer holds for the benefit of the credit house, in order to meet the deficiency of the full amount of the bills drawn.

Operation between importer and his banker.

15,655. Is it usual so to adjust it as to make that transaction a cover for any possible loss?—Yes.

15,656. Or more than a cover?—It is a question of manipulation after Futures have been sold against the actual purchase abroad. If the market rises, the credit house knows that the enhanced value of the actual produce over and above the amount of the bill drawn, will probably make up the loss the importer has to suffer by the rise in the value of the future contracts which he originally sold as a hedge. Thus it is only, as a rule, when the actual produce is sold to the consumer, that the bill is taken up by the importer, and the accounts settled between the latter and the credit house, and the transaction finally closed. This may take many months before it is accomplished. Hence, from the moment this actual foreign produce arrives in England, and, indeed, in many cases before, it is pressed for sale in various ways on our produce exchanges. For being hedged by Futures, it is immaterial to the importer who is influenced mainly by the value of Futures, what price he resells it at, while it is absolutely necessary for him on its arrival in England, and totally irrespective of the price he paid the foreigner for it, to realise from day to day certain portions of his actual stocks, in order to raise cash to meet the various bills running against such produce. Thus the very fact of only a moderate demand on behalf of consumers, or of depression in the future, or money market, compels the importer to accept lower prices for his foreign produce. It is on this speculative and artificial basis that England is largely flooded with foreign produce, and on this basis the bulk of foreign crops under these systems are moved, manipulated, and imported. This accounts for the enormous over-trading on behalf of the so-termed importers of the present day, the majority of whom have no capital in comparison to the gigantic operations they enter into. The ultimate profits of the importer depend upon the values of the Futures of which he is short (and for which at the time of the sale he obtained a premium or as it is called a "carrying price") becoming more depressed than the value of the actual produce he holds. In this way he hopes to make a small profit on the turnover. Thus it is, as explained in "Commercial Gambling," that the importer is more or less interested in a decline in the market than in an advance. Therefore, under these circumstances, the value of the actual

Manipulation of futures.

Decline of markets in the interests of importers.

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imported foreign produce is brought down to an artificial price in this country by the compulsory sales on behalf of the importers. I have shown in my statement that the importer is further a compulsory seller or bear all the year round of speculative paper contracts in the shape of Options or Futures. Thus the actual foreign produce on arrival in England held by importers, as well as the Futures sold by them against such, both tend to artificially and compulsorily depress the market prices of English produce. The above facts ought to have been recognised as of the utmost importance, by commercial men and bankers, at the time they assisted to frame the present rules under which these gambling systems have sprung up.

dging by nporters.

15,657. Will you follow out the Futures that he sells; they go into the market and get bought and sold indefinitely, I presume?—In time, but you cannot tell; once the contract is floated it is resold and resold and turned over the whole time.

he bull as e specu- tor.

15,658. Will you explain why the dealers in those Futures, who of course are pure speculators, are more interested in a fall than in a rise?—They are not the speculators; the man I call the speculator is interested in the rise, because he is a bull; he has bought for a rise.

15,659. It is only the importers who —— ?—Are bears.

rofessional ears.

15,660. Professional bears? — Professional bears. There are many other classes of men who go in for it; I call them wreckers, and a variety of classes of gamblers who operate all day long for a fall.

15,661. I rather gathered from what I have read of your pamphlets that the general tendency of this gambling market was a bear tendency rather than a bull tendency?—Undoubtedly so, in my opinion, and I have expressed it for 10 or 15 years. The views I express to-day I have expressed for the past 15 years, and in every single market that these systems have been introduced to I have prognosticated ruin on the basis, absolutely, solely, and only, of the systems; because I maintain that a bull operator under the systems of a daily and weekly settlement has not a ghost of a chance. I do not care who the man is; I have lost money myself, any amount of it, in the same thing; but the moment your loss becomes what you consider is sufficient, you telegraph to your broker, wherever he may be, "Sell out at any price." Although I have been a bear all my life I may say, for the last 15 years I have never bought anything, because I do not care if 20*s.* was the price of wheat to-day or if 15*s.* was the price of wheat to-day; I will sell it in the face of the absolute deficiency of the whole of the crop of the world's supplies for 1893. As long as these systems are in existence they are applicable to every article of produce; they have only to run three, or four, or five years, and there is the same result—a panic.

eneral esult on rices nder the ystems.

ause of the resent low rices.

15,662–3. (*Mr. Giffen.*) Do you not think it would have come to an end before this, because nobody would be a bull?—Mr. Giffen has asked me a very leading question. That is exactly what is the cause of the present what they call total absence of business on all our product exchanges. Why they are so dead is because the bull has lost so much money since 1890. I am not in business myself now, for I was so disgusted that I left it some years ago; but I have followed it, and am now an interested party in a firm. Therefore I know everything that is going on. There is no buying power left in this country; there is no buying power left in America; but it is compulsory on the importer or bear to sell, and under those circumstances the price must go down. The buying power, in its present condition, cannot arrest the bear from selling, because the bear has to sell, because he has bought abroad, unless he wishes to lose a great deal of money. That is exactly the position of all our produce markets in this country and in America. There is hardly any real business going on, but there is business of a sort going on—there is the importation still on the basis of these systems; and so that man has to sell.

Importers' capital.

15,664. (*Viscount Cobham.*) Is it not the fact that the importers now are using a comparatively small capital?—I am sorry to say so. You may go to London, or you may go to Liverpool or Glasgow—anywhere you like—and you will find that all the old-fashioned people of capital have absolutely been driven out of the business by these systems; they have ceased to be importers. All you gentlemen now, every one of you, I will start you in any business to-morrow with a nominal capital on the basis of these systems; you shall import wheat, cotton, sugar—anything you like—with hardly any capital at all. I will arrange the credit house business for you, and I will turn you all into importers with hardly any capital at all.

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15,665. (*Mr. Giffen.*) And shall we make money by it?—That depends entirely on the views you take. If you take an optimist view of a rising market, and it goes down, you will lose; if you keep short you will make money.

Fall in the value of wheat.

15,666. You have just told us that nobody who takes an optimist view—that is nobody who is a "bull'"—makes money; that the market always goes against him?—We know the fall in prices in wheat has been nearly 50 per cent. since 1880, and we know that since 1891 there has been a 30 per cent. decline.

Losses by bulls.

15,667. These questions are only to make your position clear; I am not cross-examining you just now, I merely wish to know where the bulls come from if that is the state of the market?—The bulls were legitimate operators once upon a time, but their losses were, and have been, so terrific—they have paid so much money away—that if a man is in business he has to think seriously; if he is losing a sum of money which is a large per-centage of his capital he cannot afford to speculate any more. It is only in good times when people are making money that the bull goes to the fore. If I am making 5,000*l.* a year, for instance, in my business, and I think I will try to make that into 10,000*l.*, I have something to work upon in order to speculate from legitimate business.

Class of bull speculators.

15,668. Who buys speculatively then at a time like this, or during the last few years?—People that you would be absolutely astounded to think who they were—people of every class from the highest.

15,669. Then there are a certain number of people who exist for the benefit of the importers and others who make money out of their folly, and these people not only cause a loss to themselves, as I understand, but they cause a loss to the whole farming community over the world; is that your view?—I did not quite understand what you said about the importers.

15,670. There are a certain number of people—the bulls—who buy, who apparently exist for the benefit of the importers and others, who are continually buyers, or more or less buyers, not only to their own disadvantage, but to the disadvantage of the farming community all over the world—is that the view you put before us?—The bulls, do you mean?

Necessity for bulls.

15,671. Yes?—Under the systems the bull is a necessity—somebody must buy.

15,672. Precisely; but there is a certain class of people who are foolish to this extent, that they exist for the benefit of the importers and others who bring the wheat from foreign countries, and for the loss of the farming community all over the world, and who do not make money themselves by it?—A bull cannot make money in a falling market, that is an impossibility, and we know perfectly well from the fall that has taken place——

15,673. Those are the kind of people then who cause the mischief—all these people who are so incredibly foolish for themselves and apparently foolish for other people?—You may put it in that light, but I do not put it in that light at all; I put it from the importing point of view. The bear, who is absolutely not an importer, can hammer the markets in the absence of the bulls or buying power.

15,674. Yes, but we wish to understand the other side as well; because it seems to me according to what you say that it is the bull who does all the mischief, because if he did not exist all these operations would come to an end?—Under the systems there must be a bull, but you must remember that if a man has lost money he tries again. If a man loses money on the turf, for instance, he tries once more to spot a winner. Very similarly I am waiting now. I lost money last year in wheat as a bull; I am only waiting to buy, and to try and make that money back again.

15,675. I have had your answer; you assume the existence of that class of people?—Yes.

15,676. (*Mr. Whitehead.*) There must be two to a contract?—There must be two to a contract; every seller must have a buyer.

Fall in the value of wheat.

15,677. (*Mr. Channing.*) Do you attribute the rapidity of the recent fall in the price of wheat to the facts that

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you have just been stating to the Commission?—Undoubtedly.

15,678. The rapidity of the recent fall in the price of wheat?—Undoubtedly.

Cause of the present low prices.

15,679. (*Viscount Cobham.*) Perhaps it would be well for you to take that part of the question now unless you wish to add more as to the facts. We have had the description of the systems, and what we want now are the results. You say that this widespread gambling in produce has led to a depression in the price of produce, and we undertand that in your opinion this gambling system has led to the prevailing depression in the prices of all sorts of agricultural produce?—Yes, undoubtedly it has.

15,680. That is the point we wish to take now. *Primâ facie* it would seem that the more active market there is in any commodity the better the price should be, what we want to know is, why the contrary effect is produced in this case?—Although you have had the privilege of studying the whole of the valuable American evidence, given during the three years this subject was before that country, as well as the opportunity of reading my three publications on the subject issued last year, together with extracts from the British Press, I intend, with your indulgence and permission, to attempt to focus concisely, and I trust clearly, that evidence, so that it may bear upon the commodities grown in this country. I shall welcome cross-examination upon any point I raise as tending to elucidate my case, and I trust to establish the arguments I urge. You will observe, in the first place, that I do not agree with the popular notion that the value of English wheat last year has fallen to 24*s.* 8*d.* under natural causes or as a direct consequence of foreign competition in the shape of foreign importations. I know this is the general idea held by almost every farmer. Hence the cry in so many quarters for protection, their argument being, that given protection, the prices of foreign imported produce would be enhanced, and supplies of the same would diminish, which, as a natural consequence, would raise the market prices of English wheat. But, under the present sad circumstances it is an absolute necessity for this country to import three-fourths of her home consumption of wheat, owing to the fact that she is now only growing barely one-fourth. Further, the world's production of wheat for last year stands out as alarmingly short, should any nation under any sudden emergency desire to lay in a stock, each importing nation would then discover that the supplies of wheat and flour are absolutely insufficient, and a famine equal to that of 1891 would at once threaten them. In this latter year the world was almost denude of stocks, and was rescued temporarily from great difficulties, principally through the American and Indian crops of that year providentially proving to be extensive. But in spite of this sufficiency the injury to values for 1891 was done. For the gamblers in America and England made a "pool," and ran the price up during that year from 32*s.* 3*d.* to 41*s.* 8*d.*, a rise based solely on Options and Future Contracts, with the result that, as has also happened in the case of silver, sugar, cotton, copper, &c., &c., in fact of all other commodities similarly artificially enhanced in price, the pendulum swung around gradually to a purely artificial and panic value, perfectly unwarranted by the legitimate laws of supply and demand. The result was that the gamblers for a rise engaged in the grain produce markets of the world, received at that time, and since, such gigantic and ruinous losses that the bulls were demoralised, and were unable to stand up and turn the tables on the bears, who have remained masters of the situation since that period. Let me, therefore, emphasise strongly the following resulting fact. The financially crippled position of the bulls necessarily causes the extent of their operations to be crippled also, and, in consequence, bear selling in America and England against produce coming to light, coupled with the operations of the professional bear in both countries must far outweigh the power of the bull buying. For importers and foreign exporters being obliged to sell Options or Futures against produce are absolutely compelled to find buyers or bulls at some price to absorb their daily offerings whilst it is not compulsory for the bulls to buy even at a decline. Under these circumstances the inevitable result is a decline in values, which, under the pressure of the settlement, causes the majority of bulls also to join issue and resell. Hence a stampede, resulting in a panic, by which values are reduced down to one of mere sentiment, irrespective of price, or of cost of production. Such has been the true position of the Grain Produce Exchanges both in America and England during the last few years. In fact, the present position is the outcome, and to a very large extent is aggravated by the artificial rise in Chicago last year. At that period an American named Cudahy formed a syndicate to corner wheat. It was estimated that he had the control of no less than 11,000,000 bushels suitable for tendering on Option contracts, besides other large speculative holdings. The result was, that after a short-lived rise, an artificial panic took place. During the month of May, Options for that month in Chicago were quoted as equal to 6*s.* 5*d.* ex quay Liverpool, while wheat was selling in the latter place for the same month at 5*s.* 8½*d.* Hence the price of wheat in Liverpool was the lowest quoted in the world. Just prior to the failure of Cudahy and of his syndicate in the month of May, the price of that month's Options in Chicago fell in one hour 7 cents, being the most sensational break on record. I may here point out that the present value of wheat Futures ruling in America show 36 per cent. decline in comparison to the value ruling in Chicago before the panic. This panic has been re-echoed throughout every American and European Produce Exchange since that date, resulting in Futures and Options of wheat being sold in England and in America this year at the lowest point ever known. And remember, it is the value of this gambling paper contract, in the shape of an Option in America and a Future in England, that has regulated then and since the market prices of all actual stocks held by English farmers and merchants. For instance, during the late grain panic in America this year, which was another panic, say, from 1st February to 15th, which was a fortnight, the sale of wheat Options alone in New York reached the enormous total of 8,700,000 quarters, this being considerably larger than the total production of the United Kingdom. During the same fortnight only some 330,000 quarters on the spot were sold. Result, another panic in values all over the world. During the same period in Liverpool, the total sales of wheat Futures alone reached 585,000 quarters. In consequence of this panic the market price of English wheat has fallen to the lowest value of the past century, viz., about 24*s.* per quarter. To give you another example, let me refer you to the numerous cotton bull manipulations in Liverpool under similar circumstances, all of which have turned out disastrous to the producers. Remember wheat, maize and cotton are the three principal commodities subject to gambling in America and England. I could give you 50 instances of the latter article since 1878. All have had the same effect on values, but I may specially instance two cases which happened as recently as last year. The first is that of a Liverpool broker who held 2,000,000*l.* worth of produce in the shape of Future Contracts, against which not one pennyworth of actual produce did he ever intend to demand delivery of, nor had the sellers also any intention of delivering. This enormous gambling transaction was known to all, and everyone recognised with apprehension that sooner or later the same quantity had to be resold. Further, that even a slight fall in the market would render it impossible for this broker, who had no capital of his own worth mentioning, to find margins to pay into the Clearing House. The market *did* fall; re-selling commenced, and the inevitable smash came, accompanied as usual with the failure of the broker, and with a heavy decline in values. The above broker held the position of President of the Produce Exchange, and his clients, who were two clerks, were afterwards convicted of robbing their employers of 180,000*l.*, which sum had been paid to that broker on account of differences due on their gambling contracts. I may mention in connexion with this swindling operation, that in order to save a wholesale financial disaster, the Produce Exchange had to imitate the Bank of England's action in 1890, after the Baring collapse, but, I may add, in their case without any outside guarantee. The second case was that of a Jew operator who held about 1,000,000*l.* worth of Future Contracts. The result was similar when he failed, causing another artificial fall in values. I estimated in my book that the losses to the operators on the Produce Exchange, owing to this artificial decline, were in about three days 500,000*l.* Since then the actual amount in differences due on gambling contracts paid into the Clearing House have been made public—it is no less than about 600,000*l.* Is it right that farmers of any country should be ruined by such reckless and immoral gambling transactions, of which they have no knowledge whatever?

Instances of disastrous market speculations

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15,681. I do not think we want any more illustrations?—I will come back to the grain market. I can prove the same effects to have occurred in every article of produce down to silver, and I am as strong on silver as I am on every other article of produce.

Silver.

15,682. (*Mr. Everett.*) Could you give it us on gold too?—Yes, I could. These are subjects I have written on for the last 15 years, and if you want my views on gold and silver, I could give them to you. I have them here in my printed statement.

Gold.

15,683. (*Viscount Cobham.*) The illustrations you are ready to give are all to the same effect, are they not, as those you have already given us?—In my statement I give you the facts from 1846 to 1894 to prove my case.

15,684. Is there any further argument on that head that you wish to bring before us?—I think I should like to add one or two points about wheat if you would allow me.

Population and production of wheat compared.

15,685. Yes, go on please?—Referring back to the grain markets, let us look at the position, with reference to another most important factor in the situation when comparing present supplies and values with those of former years, namely, in regard to the increase in population that has taken place, and what do we find? That during the decade of 1880–1890, the increase in the total wheat area of the world was absolutely less than three and a half million acres or at 16 bushels per acre, the annual increase in the yield would be only some 56,000,000 bushels, which with as little as only four bushels per head per annum, would supply no more than 14,000,000 people. Whereas during that period (1880–90) the United States and United Kingdom alone have increased the number of bread eaters by considerably more than that number. In the "Standard" of yesterday, you will see that a commission has been held in America on the very same subject that you gentlemen are sitting on here and that the evidence has been published. According to the evidence which has come out and been published the wheat area of America in 1881 was 37,000,000 acres and the population 51,000,000. In 1893, the population had risen to 67,000,000 while the wheat area had fallen to 34,000,000 acres. The average price was 119 cents a bushel in 1881 as against 53 cents in 1893; they bring that out the same as I work it in my statement and in my books. It came out in evidence there, and, as I say, it was published in yesterday's "Standard." Where then has sufficient increase in wheat cultivation taken place since 1880, taking into consideration the enormous increase of population and consequently of bread eaters, to warrant a decline in value of nearly some 50 per cent. And where also, may I ask, have the enormous over-supplies come from since 1891, remembering that the world during this latter year was almost denude of stocks, to warrant a continuous decline in values since that year of fully 30 per cent. Also another important fact to prove my case. In previous years, say for example in 1882 when the world's over-supplies for that year were gigantic, we witnessed prices standing at fully 40 per cent. higher than they do to-day. Remember in 1882 the systems I denounce had not been introduced into England. Yet with a world's surplus for that year of no less than 223,000,000 bushels, we had the average price for English wheat 45*s.* 1*d.* Last year, with a positive deficiency of no less than 26,400,000 bushels, the price of English wheat only averages 26*s.* 4*d.* These figures carry with them their own proof that there must be some most formidable artificial cause at work to induce such a subversion of the laws of supply and demand. I am ready to give you the figures in wheat for every case I possibly can, and I hope to prove them from 1846. It is all brought into my statement, I regret that that statement is so long. I have had 16 months' work on it day and night you may say, and I have written over 3,000 letters and three books, and you can imagine what is in the statement when I say that I consider that the evidence necessary to prove one's case is absolute evidence to prove it. What I have written in my statement is only what I have been writing for the last 10 to 15 years which is well known in the commercial world. It was when I saw that the systems which I prognosticated in land and everything were introduced in 1888 and 1889 in this country, and when I saw that the effects in this country were the ruin of it—for the fall in the price of wheat means the ruin of the country—that I considered it my absolute duty then to step forward to try to reach the people, I wanted to reach the landed interest and the farmers and the legislators in this country who are absolutely ignorant of the existence of these systems in the wheat trade and how they are ruining this country; and so I brought it before the country in the way I have done.

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Proposed American legislation to counteract the effects of the systems.

15,686. Will you tell us what has been done in America to counteract the effects of this system?—I will. It is with the greatest satisfaction I can refer you to the pamphlet I have just issued, by which you will perceive that 99 per cent. of the press of Great Britain which reviewed the subject, support me in having brought it forward, and when I mention that it was at first tabooed by certain of our leading papers, and that it was only after careful consideration that it eventually received from them favourable reviews, I think it may be said that the powerful press of this country irrespective of politics, unite in considering the subject to be of the greatest importance, and well worthy of examination by all who are now engaged in weighing the various proposals and suggestions before the country for meeting the wide-spread disasters which have come upon us. Whilst on the subject of the press, let me recount the manner in which this question was received in America, during the three years it was before that country, prior to the actual passing of the Anti-Option Bill in the Senate House last year, and how very differently Mr. Wood Davis, the gentleman who in America engineered this subject, was treated by the American Press. Almost every American free and independent organ of public opinion was virtually bought up by the commercial and financial class, principally by the railway nabobs and gamblers of Wall Street, who, it is well to remember, are the biggest gamblers, not only on the Stock Exchange, but also in farm produce, and who are consequently as much interested in a continuance of these systems, as the members of the various exchanges themselves are. Hence, under these circumstances, no stone could be thrown at a grain gambler without hitting one of these railway magnates, and Mr. Wood Davis, who is, I may remark, one of the most powerful journalists in America, besides being one of the most capable statisticians and ablest of farmers, had almost the whole of the financial and commercial press closed to him, and antagonistic to his views and arguments. It is, therefore, with a feeling of the greatest gratitude to the press, and to others connected with that powerful institution in this country, that I have found myself enabled in so short a time to attain for this subject so prominent a position, for without such help I feel I could never have had a tithe of the success which I may gratefully say has attended my efforts. It is not a matter of surprise then that, under the above circumstances in America, it took Mr. Wood Davis and the Farmers' Alliance three years to convince the legislators of their country of the necessity of legislation, and for the American Senate to determine to pass an Anti-Option Bill. I may tell you that both in America and in Germany the Farmers' Alliance was started absolutely, solely, and only to force the legislature to protect their interest by the very Anti-Option Bill which is now before the country in America. I have correspondents in Germany, who tell me that the Farmers' Alliance has been established there, just like the National Agricultural Union in this country, in order to protect their interests, and with the one object of bringing the legislature there, that is the Reichstag, to see the necessity of passing a similar measure to that which the American farmers under their Farmers' Alliance put forward in America.

15,687. Is the bill before the American Legislature now?—Yes. Mr. Wood Davis had the great satisfaction of witnessing the nation's acknowledgment of the truth of his arguments and of the absolute justice of his assertions that these gambling systems were undeniably ruinous to their farmers and producers. Although this bill had to be shelved *pro tem.* by the House of Representatives, it is most important to draw your special attention to the fact that a similar measure, of which I have a copy, and which I will give you, was reintroduced in both Houses on the 15th of December last, but it partakes more of a revenue measure than the old bill, owing to the constitution of the Government which prevents the Central Government from prohibiting what the States have a right under their own sovereignty to attend to, still it is, if anything, stronger than the old bill, and Mr. Senator Hatch, who has charge of it, hopes to see it become law this coming April or May. I may add this bill was referred last February to the ways and means committee by the House of Representatives by no less a vote than 168 to 53, or a majority of over three to one, which means absolutely—there is no doubt about it as far as my

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information goes—that the bill will become law in a great measure.

15,688. What are the main provisions of the bill?—That is the bill itself (*producing print*).

15,689. (*Mr. Chaplin.*) When was it referred to the committee?—I think it was on February 7th, 1894, that it was referred to the Committee of Ways and Means.

15,690. By what majority?—By 168 to 53—it was over three to one.

15,691. (*Mr. Channing.*) In the House of Representatives, I suppose?—Yes, and then there is a similar Bill which has been presented by Senator George, as far as I gather from America, and which will be presented in the Senate. It is simply a Bill dealing with the gambling and making it a misdemeanour. There will, therefore, be two Bills. I am not quite certain whether that Bill has been presented or not before the House, but the one of which I have a print has been presented and has been referred to the Committee of Ways and Means.

15,692. (*Viscount Cobham.*) Is the object of the Bill to prevent gambling in commodities?—All that Mr. Wood Davis and the Farmers' Alliances in America and Germany are doing, and all that I am asking you to do, is to prevent a man selling what he has not got. If he does sell it let him deliver it as was done when the systems were first introduced into this country, and which was absolutely legitimate business. It does not matter how the crops of the world are moved, but if a man sells let him deliver.

15,693. Is that the object of the Bill you have in your hand?—Exactly.

15,694. Just read the clause that enacts that?—There are several sections which dwell upon it.

Hatchs' Anti-Option Bill in the House of Representatives.

15,695. I suppose it defines "Futures" and "Options"?—Yes, it does in the first two sections. Then sections 6 says, "That special taxes are imposed as follows:—"Dealers in 'options' or 'futures' shall pay twenty-"four dollars. Every person who shall in his own "behalf or as agent broker or employée of another "deal in 'options' or make any 'options' contract or "make any transfer or assignment of any 'options' "contract or shall by letter telegram or other com-"munication sent from the United States to any "foreign country or by an agent broker employée or "partner resident in any foreign country enter into "any 'options' contract shall be deemed a dealer in "'options'; and every person who shall in his own "behalf or as agent broker or employée of another "deal in 'futures' or make any 'futures' contract or "make any transfer or assignment of any 'futures' "contract or shall by letter telegram or other com-"munication sent from the United States to any "foreign country or by an agent broker employée or "partner resident in any foreign country enter into "any 'futures' contract, shall be deemed a dealer in "'futures.'"

15,696. That is really not a revenue provision, but an absolute prohibition; that is virtually the effect of it?—Under the Constitution of America each State has a right to make its own laws; the central Government can only, as far as I can gather, have the power of bringing a revenue measure in of such extraordinary magnitude that it virtually taxes the whole "option" and "future" business out altogether. Therefore, they have had to bring it in as a revenue measure. It is a simple thing in this country. If legislation was to put 2,000*l.* or 5,000*l.* on dealings in "options" you would stamp it at once, because the Government of course have the power of authorising the legislation. I see in to-day's "Standard," for instance, that there is a paragraph referring to the Bourse transactions in Germany, stating that the markets went very flat yesterday owing to the increased taxes on the Bourse transactions. You know that France in the last 12 months has legislated in the same way, and Russia has done the same; therefore there is nothing new in the subject I am bringing forward. This has all taken place in the last 12 months.

15,697. (*Mr. Dalton.*) What is the amount of the taxes proposed by that Bill?—I think there are different amounts for different articles, as far as I can gather. They are very strict in regard to anything of a fraudulent nature. After making certain fines and taxes for the business, I see that anybody who breaks it at all is "liable for the amount of the tax or taxes "prescribed in this Act for each and every such offence "pay a fine of not less than one hundred dollars nor "more than two thousand dollars, or be imprisoned "not less than one year nor more than five years, or "be subject to both such fines and imprisonment."

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15,698. That is if he does not pay his taxes?—Yes.

15,699. (*Viscount Cobham.*) Do you consider, with your knowledge of the business, that that Bill, if it becomes an Act, will not be evaded; do you think it will be operative?—I think so. America has absolutely been ruined by this system; there is not the slightest doubt about it, and America recognises it to a man; and no man, in my opinion, recognises it more than the President himself. You saw in his inaugural address last March how he dwelt upon it.

15,700. Do you think the Bill is certain to be passed?—I can only tell you that my advices are, and have been for the last six months, as strong as the last fact which I heard last week, which was that it had been referred to the Committee of Ways and Means by the House of Representatives by a majority of over three to one.

Probable effect on England of the American Anti-Option Bill.

15,701. What do you consider will be the effect on England of the passing of this measure?—In view of this Bill becoming law in America this year, it is highly important to study the position of England and the continental countries where these gambling systems are already in vogue. For what would be the result to the farmers of Europe should America transfer her gambling schemes to the Continental and English Produce Exchanges already in existence? When the Anti-Option Bill was about to be passed last year the American gamblers pointed at once to Liverpool, London, Hamburg, and to other continental cities as the future principal centres for their operations, and therefore at this juncture it is of considerable interest that the Berlin Farmers' Alliance, as will be seen by the letters I have already published, is quite alive to the great injury caused by the German gamblers already established on the Produce Exchanges in that country. We suffer similarly; our landed proprietors and farmers are being absolutely ruined and their industry wrecked by the same systems that the American and German farmers have already unanimously recognised as an unmitigated curse. And it is stated that both the German and French Ministers of Commerce intend to bring forward a Bill for the reform of business done on the Produce Exchanges of their respective countries. Of course France has done it; and, as regards Germany, in to-day's "Standard" you will see the paragraph I have just alluded to, which states that the market went flat owing to the tax being increased on the German Bourse. If this is authentic, and America, France, Germany, and Russia eventually procure some form of legislation in the direction I advocate for England, it will be absolutely essential in self-defence for Great Britain to protect herself against these changed conditions, unless she wishes to become the sole hell of the worst form of gambling, and in numerous cases of absolute falseness and fraud, that has ever been introduced into the commercial world. Even under existing conditions our Produce Exchanges are at certain periods the recipients of enormous gambling operations on behalf of both American and continental operators. And these systems are really far more detrimental to a free trade country like England than they are to other importing European countries, for, owing to the fact that the systems in America are carried on on a colossal scale, the values of all produce which we grow in this country and which come under these systems are regulated more or less entirely by the values ruling in the numerous gambling depôts throughout America. And, further, it is the value of this gambling option contract in America, combined with the value of the future gambling contract in England, which influence and determine the basis in every part of the world of all operations, either selling or buying.

15,702. So you are strongly in favour of similar legislation in England?—I say to-day, and I have said it for the last 10 or 15 years, if these systems continue they will ruin our country; they have absolutely ruined everything that they have touched.

Effect on English traders and importers of an Anti-Future Bill.

15,703. Would not the passing of a measure like that have the effect of driving the trade out of its present hands; the existing body of importers with small capital would no longer be able to do their business under it, would they; is not that the effect of what you have told us with regard to the hedging system?

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—There are crowds of substantial houses which have been driven out of the trade, but which would be only too thankful to come into the business again if the system were altered.

Effect of a panic on importers with small capital.

15,704. The men of small capital would be driven out, would they not?—No, they could still do a certain amount of business, but not the enormous amount that they do now under this settlement of differences. If you have got 500*l.* and you get 500*l.* worth of actual stuff you do not go any further than you have already gone, using that capital as margin. You have to watch every single thing, and when panic comes you cannot stand any loss at all, for you have only got 500*l.* or 1,000*l.* of capital. Virtually the systems introduce, I think, nothing but men of straw really into the commercial world. The old-established merchant and banker, who was the importer and who did all this business on a legitimate scale, has been absolutely driven out of the trade, and it is an entirely new class of men who have come into the business.

15,705. Why should not the importers endeavour to cover themselves by selling actual cargoes forward?—That is done.

Effect of panics on importers and operators.

15,706-7. Why should they do more than that?—In a time of panic it does not matter who the man is if you have these symptoms in vogue, and you have unimported, we will say, three or four cargoes on your own account, or on consignment, or on commission—anything you like—all of a sudden something happens in the commercial world or the financial world to cause a panic. The moment you know that what do you do? You take the opportunity of hedging yourself in Futures. There is a panic on, but you knock the prices down and that reacts on the market again.

Probable effect of the abolition of the systems.

15,708. But if you abolish that system you would compel importers to cover themselves by the tender of their actual cargoes?—If you abolish the system, and a man has imported a thousand tons in the month of April, and has sold a July-August delivery against it, those thousand tons have to go against that July-August delivery and that becomes an actual tender.

15,709. Do you think that if the importers were men of sufficient capital that would meet all the necessities of the case?—Yes. There are lots of men who will go back again into business. I would go back again into business myself to-morrow if I could get it on a different scale. Crowds of men in London and in the country with capital have been absolutely driven out of trade. What is the use of being in business now? If you talk to any old-fashioned man in business he will say it is not business.

Legislation by France on produce gambling.

15,710. (*Mr. Chaplin.*) Did I understand you to say just now—I could not quite hear you—that a Bill had been introduced in France on the subject?—I will give you all the information I can give you about France; it is simply what I have read.

Legislation by France on Stock Exchange gambling.

15,711. Did you make the statement that it had been introduced into France?—I said that, as far as I could make out, it had been brought before the French, but whether it had actually come into law I cannot tell. On the Stock Exchange last year it came in; they tried to kill the *coulisse*—the outside stock business—by taxing it out. That did come into operation, and I have seen what the effect on the revenue in France of that tax has been.

15,712. There has been a measure carried then?—Undoubtedly, that is on the *coulisse*. As regards France, I have the following statement here:—"On "January 30, M. Vigier, Minister of Agriculture, "announced that the Government would the next day "present a series of measures destined to restrain "speculation. Those measures would comprise the "diminution of time during which wheat may be left "in the depôts which enables large speculators to "house wheat for several years. The proposed sliding "scale was rejected by the Minister because it would "lend itself to the machinations of the speculators. "The above measures were signed by President Carnot "on February 10th."

15,713. What was the date of that statement?—That was, I think, on January 30th—it appeared in the "Standard."

The American Anti-Option Bill and stamps.

15,714. (*Mr. Dalton.*) This American Bill appears to be mainly a Bill for imposing a stamp duty on contracts. It says in Section 7:—"Every Options contract and "every Futures contract shall have affixed thereto "internal revenue adhesive stamps representing taxes "as follows." Then you get, "For every 10 bushels "of wheat one cent"?—Yes.

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15,715. Are the English contracts subject to duty at all at present?—Yes.

English contracts.

15,716. I mean your contracts that you were speaking of, your Future and Option contracts of which we are to have a copy?—I think every contract has a shilling stamp if I remember right.

The American Anti-Option Bill.

15,717. All that this Bill seems to do is to impose an *ad valorem* stamp duty on the contract of one cent for every ten bushels of wheat; that is the main part of the Bill is it not?—No.

15,718. And a 24-dollar license besides?—Yes.

15,719. But then a 24-dollar license would be a very small thing for a speculator to pay?—It is more than that as I will show you if I can get hold of it exactly.

15,720. Are those duties supposed to be prohibitive?—Yes, completely so.

15,721. (*Mr. Little.*) You say the object of the Bill is to drive these men out by taxation?—Yes, that is really the object, only they bring it in under a revenue measure. I think we have to pay a shilling stamp, and I think the shilling we pay goes towards the Government as well.

15,722. (*Mr. Dalton.*) Are your contracts which are entered into in England all stamped?—Do you mean Government stamped contracts?

15,723. Yes?—No, they are under the Produce Institution.

15,724. Is there any stamp duty on these contracts?—There used to be I know, but I am not quite certain whether there is now or not; it goes towards keeping up the expenses of the Clearing House I think.

15,725. There is no Government stamp at all you say upon them?—No.

15,726. Not a penny stamp even?—I do not think there is anything at all.

15,727. (*Mr. Channing.*) Is not the point this: that there is a small tax on each bushel of wheat dealt with in these Futures, and that that tax in the aggregate of the transactions would be so much as to deter the speculator from going on in the way that he has gone on; is that not the object?—Yes; in New York alone in one day this week they sold 17 million bushels of wheat.

15,728. At a cent on every 10 bushels, that means a tax of 17,000 dollars on the transactions of the day?—Yes; this bill is quite enough to prevent it. They are undergoing exactly the same thing in America now, and every financial and commercial institution is agitating against.

Effect of the systems in the price of wheat.

15,729. (*Mr. Giffen.*) How much do you think that wheat at 24*s.* is below the price that it ought to be if we had a proper working of supply and demand?—I consider that wheat ought never since 1880 permanently to have gone below 40*s.* on the world's supply and demand, taking the increase of population into consideration as well. Nobody can produce any figures or statistics in comparison with the time prior to the systems being introduced—1883—which would warrant such a reduction in values as has taken place, namely, 50 per cent.

15,730. The price has gone from 40*s.* to 24*s.* entirely through the operation of this pernicious system, as you describe it?—It has gone from 32*s.* to 24*s.* or rather more than that; in fact since 1891 it is down about 30 to 35 per cent.—since 1891—which is only three years.

15,731. You go further back than that, and you think that the price now would be about 40*s.* but for this pernicious system?—This year and last year it would have been higher, in my opinion, on the world's supply and demand if that were to be the regulating medium of values; the prices would be higher than 40*s.* to-day considering that in 1893 the world's stock showed a deficiency of 23 million bushels of wheat.

15,732. It is the existence of this system and the existence of that class of people—— ?—Combined with America.

15,733. Who are foolish enough to buy, which causes this great fall in the price of this leading article of production?—Excuse me, that is the second time you have mentioned it, but I have not quite caught your point on the question of these buyers or bulls. The

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bull is a necessity under the systems. There is the absolute fact of the bear and the importer who has to sell whether he is in America, or England, or elsewhere. He is the cause of the decline. But the bull who buys his contracts also helps to cause the decline when he has to re-sell that paper contract.

15,734. Yes, but I do not see the necessity for a man being a bull?—If there is a seller of a contract there must be a buyer. There must be two people to a contract.

15,735. But why should there be a foolish buyer who does what is clearly not to his own advantage, but is to the benefit of another man, and to the injury of a very large class?—I can only give you the same answer that I have given to men who have asked me that question for 15 years, who are always buyers and never sellers, in England every man takes an optimist view the moment he goes into business; he is brought up to it, and quite right too, but he never recognises that under the systems a rise is an impossibility.

15,736. Then the existence of this class has caused the great depreciation in the value of wheat which you have described. What is the total production of wheat annually?—Of the world?

Estimated wheat product of the world in 1882.

15,737. Of the world?—The estimated wheat product in the world in 1882 was 2,367 million bushels.

15,738. How many quarters is that?—Divide it by eight.

15,739. 300 million quarters?—Yes.

Estimated wheat product of the world in 1893.

15,740. And now?—In 1893, according to Wood Davis, who is the greatest statistician in America, and according to Beerbohm, who is the greatest statistician in this country, the estimated wheat product of the world was 2,251,600,000 bushels.

15,741. Which is pretty much the same figure?—Yes.

15,742. We may take it at something like 300 million quarters?—Do not forget the increase of population. The requirements in 1882 were estimated at 2,144 millions, and in 1893 they were estimated at 2,328 million bushels of wheat, leaving a deficiency in 1893 of 26 million bushels.

Wheat requirements of the world.

15,743. Still, about what the world requires and what is produced is close upon 300 million quarters?—There is the increase of population to be taken into consideration.

15,744. I merely wish the exact figure; it is almost 300 million quarters?—Yes

Effect of the systems on the price of wheat.

15,745. Then the depreciation of price by the operation of this cause that you describe, as compared with what the national supply and demand would have fixed, is the difference between 40*s.* and 24*s.*, or about 16*s.* a quarter?—Yes.

15,746. That is to say, the difference is something like over 200 millions sterling in the annual price of wheat?—Over the world?

15,747. Over the world?—Exactly so; that is to say, that the price since it was 40*s.*, whether in free trade countries or protectionist, or gold or silver using countries, or anything else, for the produce of the world of wheat has been depreciated to that extent by the systems.

15,748. By the existence of these systems?—Exactly.

15,749. And the existence of the foolish class of bulls that you have described?—You will excuse me, but I do not see your point yet about the foolish class of bulls; I do not grasp that at all; the bull may have been very foolish to buy, but if you take the ordinary run of bull the Englishman is always a bull. Any man that goes into business is always a bull in this country.

15,750. I am merely speaking of him as foolish, because he invariably loses money?—Quite right, but he is not the sole one who does.

15,751. (*Mr. Long.*) I should rather object to the inference that the bull is a foolish man because he loses money. If the inference were correct, would that not be a reflection on the farmers in this country, many of whom are losing money?—The bull who buys on a Future or Option contract, buys it of his own accord to make money at it as a gambler, but the poor farmer is the sport of the gambler; he never buys anything; he has not a casting voice in the matter of ruling the prices of the commodity which he grows; it is the bull and the bear between them who regulate that price ahead; he simply stands and grows the produce in order to create this gamble.

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15,752. (*Mr. Giffen.*) I will say, "this class of bulls." The existence of the system, and the existence of this class of bulls—I do not use any epithet with reference to them—have between them, according to you, made this difference in the value of wheat, something over 200,000,000*l.* per annum?—You speak of 200,000,000*l.*; I have not gone into it. You stated that as a quick record of the facts I have given you.

15,753. Surely you can calculate in a very short time how much 16*s.* per quarter makes on 300,000,000 quarters of wheat; that is all I have done?—Yes, and if your figures are correct what you say is correct.

15,754. Ten shillings on 300,000,000 quarters would be 150,000,000*l.*, would it not?—Yes.

15,755. And 5*s.* more a quarter would easily make it 200,000,000*l.*?—Yes.

15,756. There is no doubt about the fact; I am merely wishing to get on record that you are not startled by an observation of that kind, that the cause which you describe is sufficient to produce so tremendous an effect?—The effect of these systems has been in my opinion the absolute cause of the depreciation in prices in every part of the world where wheat is produced. Some countries may be more favourably influenced than others.

15,757. Well, you admit it is an effect of a very portentious and startling kind?—The largest part of the sum you have mentioned is due to these systems in my humble judgment.

15,758. That is to say, so much money is taken from the producers, and ultimately given to the consumers, who get their wheat at so much less?—Yes; but the consumers, as regards their loaf, have not benefitted to the extent that the producers have suffered by the drop of 50 per cent. in wheat. That is the most important point.

Profits of the middlemen and gamblers.

15,759. Who gets the benefit?—The middleman; I, as a dealer; we thousands of gamblers get all those commissions out of the producers, and the middlemen, bakers and other people, dealers in flour, and others. It virtually comes out of the producer's pocket.

15,760. Still you do not get any more than the wholesale price in the markets in which you deal, I suppose, so that it must be the middleman subsequent to the wholesale dealers?—I do not quite follow the question.

15,761. I think it must be quite plain. The question I am putting is, who gets the benefit; it must either be the consumer or some middle man subsequent to the dealer in the wholesale market?—You see the middleman, that is, the dealer on the Produce Exchange, does not make every day, and he does not lose every day, or they would all be bankrupt. He makes and he loses. The people who have gained largely are what I call middlemen. They are the bakers; they are the people like the butchers in meat—it is the same principle there; they are the people who are making fortunes out of it.

15,762. Either the bakers or the consumers have got the benefit then?—The consumer most distinctly has not, because when wheat was 40*s.*, the 4-lb. loaf was only a farthing or a halfpenny a pound more than it is to-day, when you can buy wheat at 24*s.*

15,763. How much difference should 15*s.* make in the price of bread?—That I have not gone into; but I mentioned in my statement on figures which I have gone into that it was only a question of barely a halfpenny more when wheat was 40*s.*, which was only three or four years ago.

15,764. Should it have been much more; is that not all the difference in the price of bread that the difference of 15*s.* a quarter should be expected to make?—No; as far as I can make out, and I have worked it out to a certain extent, it ought to make a considerably greater difference than that.

15,765. How much?—I have not gone into that fact exactly, but I do dwell upon it in this statement. Those are details, however, which I am perfectly prepared to go into.

15,766. This cause which you have described has made that great difference as between the producer on the one side and the consumer and the immediate middleman above the consumer on the other side?—It

has principally been at the expense of the producers of the world of wheat.

15,767. But somebody else has got it?—The dealers on the produce exchanges have not got it to the large extent that the bakers of this country and other countries, the middlemen, whether they are dealers in flour or in the bread itself, have got it. Those are the men who are making the profit, in my opinion.

15,768. The millers and consumers between them throughout the world receive this 225 millions sterling per annum or something like that in consequence of the operations which you describe?—They receive the greater part of it at the expense of the producers.

15,769. But you do not like to say that they receive almost the whole of it?—There are so many handlings of it from the time the produce leaves the farmer in America, do you see; you cannot compare India with Argentine or Argentine with India. Why, in India alone, the ryot, who is the farmer of India, has another heavy debt to pay, and he owes large sums of money to the country bankers; they are the people who are making money out of those poor people.

15,770. Still the middleman and the baker and miller in this country are the wholesale people in the market, and they are all paid out of the 40*s.* or the 24*s.* respectively, whatever is the wholesale price?—Take the ordinary run of farmers in America; they themselves are in the hands of these Jews who are nothing more nor less than money lenders, and they all get a bit out of it before it leaves their hands.

15,771. They are all paid out of the 40*s.* or 24*s.* respectively?—It all comes out of the land, undoubtedly—it is all at the expense of the land.

15,772. But this 225 millions sterling is entirely a benefit on the other side of the account to the middlemen (after the goods leave the wholesale market) and to the consumers?—As far as the consumers of this country are concerned you must remember that according to all political economy the largest consumers of the country are producers, and that if you are going to ruin by any artificial means the value of the produce of the land you deprive those men of their purchasing power as consumers of this country, and as the bulk of them are consumers you ruin by that means the producers.

15,773. I am not going into that question at all just now; I wish to get at the facts?—I do not quite know what you want to get me on, as it were, and keep me fast to, but still this sum of money is distributed amongst the money lenders; and the producers in most cases in America and in India are in the hands of these men. Some of the money sticks to those men, other portions of it stick to the bankers, traders, dealers, or manipulators in options or futures before the produce comes absolutely to the consumers of this country. But I wish to emphasize the fact that whether it is Argentine, or Russia, or India, or England, or the continent of Europe, this sum of money, which is the result of these systems of depreciating the values, all comes out of one pocket, that is the producer's. He is the loser; he is made the poorer by it.

15,774. But still you admit that as between 1882 and the present time, or something like that, this fall of 16*s.* in wheat is for the benefit of the millers and people of that kind—millers, bakers, and consumers of the wheat?—I do not say so much for the millers. I do not call a miller a middleman. You must remember that these systems are in flour as well as in wheat. They are dealers.

15,775. Are we to say the bakers and consumers then?—I think that is more narrowing it to the limit that I wish.

Consumption of wheat in the United Kingdom.

15,776. On the consumption of wheat in the United Kingdom how much would that be?—We are consumers of something like 29 or 30 million quarters, are we not?

15,777. Take it at 30 million quarters; the gain to the consumers and bakers of the United Kingdom would be something like 20 million sterling, would it not or more?—They might, if they looked at it in a very narrow way, consider it as their gain, but it is their dead ruin, in fact.

15,778. Still, as a matter of absolute count, suppose it goes on for 10 years, then 20 million sterling per annum would soon come up to 200 millions sterling?—Yes.

15,779. I do not quite gather from you the difference between the system of speculation which goes on in "Futures" and "Options" in the grain market and other markets, and the system of speculation which goes on in the Glasgow pig iron market or on the Stock Exchange. One of the things on which you laid stress was that people sold what they had not got?—Yes.

Difference between gambling in pigiron warrants and Options and Futures in food products.

15,780. That surely is the characteristics of all speculative markets—on the Stock Exchange people are continually selling what they have not got?—I am quite aware of that.

Difference between Stock Exchange gambling and the Options and Futures systems.

15,781. Then in that respect the markets which you describe are not different from the Stock Exchange markets?—Yes, they are very different in every way, London and North Western Railway Stock is not an imported article.

15,782. Yes, but they are quite alike in this respect that people sell what they have not got?—And are a cause of great ruin to this country by doing so.

15,783. But still they are not different from the speculative markets which you describe in the respect that people sell what they have not got?—Yes, they are very much different.

15,784. Will you admit that the Stock Exchange is not different from other markets so far as selling things which people have not got; as I understand the difference upon which you insist is that people sell things which do not exist, is that so?—Yes, they have not the slightest intention of its ever existing for the simple reason that I have already told you.

15,785. Then do not people on the Stock Exchange sell things which they have not the slightest intention of ever delivering?—I will admit that gambling on the Stock Exchange is answerable for the most serious losses of this country by depreciating stocks, but it is not an imported article like wheat and other articles of produce. The whole position is entirely different.

15,786. I do not think you are touching at all upon the point; do you insist upon the fact that people selling what they have not got is the cause of mischief, or do you not?—Very largely so. There is only one class of man, that is the bear who never has anything under the systems. Before the systems the bear was not known in the commercial world; it is only since 1883 that the bear has been known in the commercial world.

15,787. You told us also in reply to previous questions that you thought this statement of "Options" and "Futures" in the grain market and in the cotton market was very much worse than anything on the Stock Exchange and I wish to know what it is?—I say in my book on "Commercial Gambling":—On page 22 of my previous book I specially referred to the argument of how all railway and other investments would be affected if such stocks were imported and hedged year after year as produce is now, *i.e.*, on the basis of the Option, Future, and Settlement systems. Fortunately for investors they are not, for the great difference between the two is that the stocks of railways and other securities are simply held by individuals as investments pure and simple, the interest on the same and the value being regulated by the state of trade principally, and by other considerations. Hence all investors and capitalists ought to be interested in the question at issue. I may state the original stock of railways, &c. remains in one interest virtually, for if one interest sells out another buys it and pays for it, and except in times of financial panics the sound securities thus held nearly recover the temporary drop they had owing to the said panic. For, remember, there is only one original stock, and consequently, whatever harm the speculators, gamblers, and jobbers on the Stock Exchange may do by their gambling operations between the fortnightly settlements (and immense harm is done, as shown palpably by the state of the New York and London markets lately), the fact remains that there are no Futures or paper contracts to govern the value of the original stock, as is the case in produce, and these must be resold at the best price obtainable by the speculators as the said month's deliveries come round. And, remember, the value of such on the day solely regulates the values of the actual stocks.

15,788. Is it quite true of stockbroking transactions—are there not cases where sales of stock which the people would sell have exceeded by two or three times the total amount of the stock in question?—Yes,

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I have never had a transaction, except an investment tra saction, with the Stock Exchange, for I looked upon it as, with closed doors, about the biggest swindle in this country. Why do not you stop, as France is doing, and Germany proposes to do, your outside stock-brokers, who never deal in one single ounce of actual stock, but who are what you call outside jobbers? Remember, if you want to invest money to-day or to-morrow on the London Stock Exchange, 10,000*l.* say, in London and North Westerns, what do they do? They go to the outside jobber, and you will find that the price you buy at, if you are a buyer, is the highest price quoted in to-morrow's "Times" on the London Exchange. If you are a seller, you will find that you get your price at the lowest price quoted. The jobber outside makes the price accordingly in order to get that 10,000*l.* on which he plays in the market for two or three days.

15,789. But still you admit that there are immense transactions on the Stock Exchange when people sell what they have not got, and other people buy what they have not money to pay for?—Enormously so.

15,790. And that these transactions regulate the price to a very large extent?—Naturally to some extent, but that only in securities which are rotten and speculative—sound investments, as a rule, do not. You may sell a 100,000 million Consols, and the man who sells them is ruined. That is why Consols are at 100 to-day—par, for the first time for many years. But I will smash any market on the Stock Exchange with money behind me in a rotten gambling affair where the holders of those papers have not bought for investment, but only for a gamble in prices. It is applicable in that case, the same as gambling in Futures and in Options. But that is the exception on the Stock Exchange. Anything of a solid nature after all, whether you are long or short, on the Stock Exchange has to come back.

Effect of the abolition of the systems.

15,791. Is not wheat of a solid nature, and if it falls below its proper price, are there not many people who have money who would be anxious to buy it?—Why do they not buy? If the people who gamble in Futures and Options would buy the actual stuff you would go back to old times prior to the introduction of the systems, and the price of wheat would soon tell you the real price based on supply and demand.

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15,792. As far as the buyer is concerned he can insist on delivery of actual stuffs?—He hardly ever does, as explained.

15,793. What is to prevent him?—He never does. He is a gambler in the prices of commodities; he never wishes to see the wheat, he never wishes to see the cotton, he never wishes to see the sugar.

Difference between Stock Exchange gambling and the Options and Futures systems.

15,794. I suppose on the Stock Exchange there are many people who never wish to see 100*l.* of stock, or anything of that kind?—One of the curses of the Stock Exchange is the gambling, and I consider that you have seen that pretty well exemplified in the Baring collapse of 1890.

15,795. That is the point I was coming to. You insist that this gambling in these particular articles depresses the price so enormously?—Yes.

15,796. Has it the same effect upon the Stock Exchange?—Most distinctly not, because on the Stock Exchange there are no Futures and Options in the way.

15,797. But there are Futures and Options of a kind?—But it is on quite a different basis. You must take the gambles on the various bases on which they exist. I have explained to you that copper, iron, and tin, and the gambling in warrants is on quite a different basis to the gambling in cotton and sugar and other commodities, and I have explained to you that the gambling on the Stock Exchange again is on an absolutely different basis to the gambling in an imported article like wheat or cotton, or sugar, or other things.

15,798. What is the nature of the gambling that depresses the price in one case and does not depress it in the other; that is what I wish to get at?—You do not import London and North-Western Railway Stock and other securities. It is not an imported article. The stock is in existence here. You can gamble in the price of that, but you do not import it and bring it from America and Argentine on the basis of this contract, which is only a bit of paper contract.

The witness withdrew.

Adjourned to Thursday next at 12 o'clock.

(For Mr. C. W. Smith's further evidence *see* Question 19,628, p. 291.)

Twenty-eighth Day.

Thursday, 12th April 1894.

PRESENT:

The Right Hon. GEORGE JOHN SHAW-LEFEVRE, M.P., in the Chair.

Viscount Cobham.
The Right Hon. Henry Chaplin, M.P.
Sir Robert Nigel Fitzhardinge Kingscote, K.C.B.
Robert Giffen, Esq., C.B.
Captain Owen Thomas.
John Clay, Esq.
Robert Lacey Everett, Esq., M.P.
John Gilmour, Esq.
George Lambert, Esq., M.P.
William Outlack Little, Esq.
Charles Whitehead, Esq., F.L.S.

Herbert Lyon, Esq., *Secretary.*
R. F. Crawford, Esq., } *Assistant*
Freeman Thomas, Esq., } *Secretaries.*

Sir G. Goldney.
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Sir Gabriel Goldney called and examined.

15,799. (*Sir Nigel Kingscote.*) You are a landowner in Wiltshire, I believe?—I am.

15,800. About what extent of land do you own?—I have lived there a great many years, and I hold land in Wiltshire, Somersetshire, and Gloucestershire to the extent of somewhere about 2,700 acres in different localities, mainly in Wiltshire and almost entirely in North Wilts with the exception of one farm.

Extent of land in hand.

15,801. Have you any of that land in hand?—I have two farms in hand, and have had both these farms for a period, one for about 10 years, and the other, which has more arable with it, for a period of seven or eight years.

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15,802. May we ask about the extent of those?—The extent of the one that is near Chippenham, which is part of my Stanley estate, is 215 acres, and the extent of the other farm called Bradenstoke—the Abbey Farm up there—is about 350 acres.

Characteristics of farms.

15,803. Can you give us the proportion of pasture to grass and arable?—In the Stanley farm, I think the extent of the arable is about 35 acres, and in the Bradenstoke farm, which was perhaps two-thirds arable and one-third pasture; for the last three or four years we have made more into pasture, and it stands now half and half—perhaps there is

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rather a tendency more to pasture than to arable. As regards both farms there is a certain amount of irrigation. On the Bradenstoke farm I am now utilising—by having it turned down to pasture—some large springs and ponds, which enable us to water somewhere about 25 acres. On the Stanley farm we have simply a sewage irrigation; that I will explain by and bye when I give a little more evidence respecting it.

15,804. When you took these farms were they in a bad condition?—When I took the farm at Stanley it was in an exceptionally bad condition. It is rich pasture land, natural dairy land, but it was so bad from the neglect of a previous tenant that a quantity of rushes, which we call bull poles in our neighbourhood, had dominated the grasses to an enormous extent. The first thing we had to do was to denude the ground of this incubus. My present bailiff, who is a man that I took there, and who is a very intelligent fellow, calculates that we took up in the course of three years with a particular hoe that he invented 5,000 waggon loads of these bull poles—I put it at 1,000, but he said, "We have taken up 5,000." That was converted into manure by having some three or four large boat loads of lime, and, where the railway goes, truck loads, and putting the bull poles into immense heaps the size of this room and mixing lime with them. The next year they were all powdered and we have used them for the greater part of the manuring.

15,805. Then, as a matter of fact, you have laid out a great deal of capital on both these farms?—As a matter of fact I have laid out a comparatively small capital in that way. With the exception of lime and one small quantity of bone dust that we have put on one of the fields we have had no artificial manures at all there. We get the gas lime from the town, which is the best sort of manure for that rich pasture land with a clay soil. The theory of my bailiff, which he has proved to be a successful theory, is that a farm to pay in these days must maintain itself, that is, that you must not go outside to buy things with money, and that the duty and first object of a man who is managing a farm should be to economise the manure from the farm itself in every possible way.

15,806. Do you spend any money on draining?—Before my bailiff came in I had drained the whole place at a cost to the extent of 4,000*l.* or 5,000*l.* I drained the whole of the Stanley estate, which is somewhere about 1,000 acres, we will say, taking the money from the Government for a period of 21 years, and all that has been paid off, and I believe the drainage is in a most perfect state. The drainage was 6 feet deep.

Mode of culture.

15,807. What is your mode of culture? Do you dairy; do you breed stock, or what?—Our mode of culture is for milk entirely—for dairy cows. We never fat a cow. When a cow is not giving the right quantity of milk, we sell her and buy others. I was going to mention to the Commission with regard to this particular farm of Stanley, that when I took possession of it the previous tenant evidently had not got enough capital; he had 29 cows, a bull, and three horses; that was the extent of his stock. He had no sheep, and we do not keep sheep much there. I have now on the same land and have had for some time 87 cows, two bulls, and six horses. Then in addition to the draining that has had to be done, I have concentrated the yards. The great defect in our country on some of our farms at the present moment, is that of having the area of the yards so large that the manure gets wasted. We have so far concentrated the yards that the rick-yard has been brought into what was the cow-yard for instance, and the size of each of the yards, apart from the skillings, is very little more than the size of this room. The consequence is, that we have all, that which comes from the skillings, stables, and the roofings, put into two large tanks, each of them, perhaps, of the capacity of nearly half this room, which enables us, one being on one side and the other on the other, to irrigate certain portions of the pasture with the sewage. From that we hope to get four or five crops a year, and we do get practically that. Everything that comes from the skillings runs into these tanks, and when there is a good glut of rain the tank hatches are drawn and the land flushed in the same manner as water meadows.

15808. To make all these buildings and tanks, and to do all this draining you have, as a matter of fact, spent a great deal of capital?—We spent a great deal of capital to begin with, there is no doubt; and that is what I want to say, that I believe one great thing to do at the present time is to encourage in some way or other the importation of fresh capital.

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15,809. Will you kindly tell us the result of all this, pecuniarily, I mean?—The result on this particular farm has been that I have had my old rent of 2*l.* 5*s.* an acre paid punctually every half-year—I treat myself as a tenant, and pay the rent every half-year through the agent to my private account. I do not suppose that I have spent in stock more than 1,300*l.*, or 1,400*l.* at the outside. The farm itself has paid for the balance of the stock, and has also lent me 600*l.* to go to the Bradenstoke farm, and there is a standing balance always at the bank of somewhere about 400*l.*

15,810. (*Mr. Little.*) Do you mean 600*l.* in the year, or 600*l.* in a series of years?—In a series of years—over the 10 or 11 years that we have been there.

Rent.

15,811. (*Sir Nigel Kingscote.*) What was the rent of the farm previously?—At the same rent that I am speaking of, 2*l.* 5*s.*, tithe free.

15,812. The last tenant paid 2*l.* 5*s.* an acre?—Yes.

15,813. In what year was that?—It must have been, I should think, somewhere about 11 years ago.

15,814. And that rent you have debited yourself with ever since?—That same rent I have paid ever since—it is carried into a rental account; the agent who collects the rent debits this account with it. The system that we adopt is this: that everything connected with the farm that is received goes into a separate bank account kept for this particular farm, there is a separate account for the other as well; otherwise, you would never know what is going on.

Interest on capital.

15,815. Do you charge interest on the capital laid out?—A certain amount of capital laid out I took from my own private resources at the beginning.

15,816. Do you charge in the farm accounts the interest on that capital?—No, we have not charged any interest on that capital. The bank account is simply an account that has been going on now for 10 years, and includes everything received from the farm, mainly from milk.

15,817. Are you satisfied that this large expenditure of capital to begin with, and this putting everything right upon your farms in your sense does actually pay, or has actually paid you?—It has actually paid, and has been very beneficial in every way.

System of farming.

15,818. Yours must be exceptionally good land?—This is very good land, but it has been made good land entirely by the importation of capital and skill into it—both. I will speak presently of the other farm, where it has been just the contrary way. The theory of the man who is the bailiff there is, as I said before, to make the farm maintain itself, and that it can do if it is properly managed, and if there is forethought—for instance, if the ditches are looked to, and the mouths of the drains are kept open. This was an old Monkish place, and we have adopted exactly the same system that the Monks adopted. The drains being six feet deep and the subsoil a clay, the water will not percolate quickly enough to relieve the land, and, therefore, in addition to the underground draining, every year we cut our furrows about six inches wide, from which the top water can all run off, and that helps to clear the land.

15,819. In fact you make it almost an irrigation farm?—That top furrow does not go to irrigation, but it relieves the land from a surplus of water.

15,820. Your great principle, as I understand it, is, that you make all your own manures and all your own feeding stuffs?—Yes.

15,821. And you do not buy any artificial manure or feeding stuffs?—If you buy artificial feeding stuffs you should pay for them from the produce of the farm itself. This very year, when Russian barley has been so cheap, and oats have been at a good price, this bailiff had a little consultation with me; he said, "I "can go and sell my oats," which he did, "at 24*s.* 6*d.* "a quarter, and I can buy Russian barley delivered in "at 13*s.* 9*d.* a quarter;" that he has done, and there was a certain quantity of maize too. During this scarce season for hay, or comparatively scarce, for we happened, luckily, to have had a good deal, he has fed these 86 or 87 cows almost entirely with the oat-straw that he had left, with the barley meal that he had ground up from this Russian barley, and with roots and turnips, which produced a larger quantity

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of milk than if he had been feeding in the ordinary way.

15,822. Are you of opinion that this system of farming, if there is capital at the back of it, can be carried on in most parts of England?—Yes.

Extracts of accounts of a farm, 1739 80.

15,823. Will you give us your reasons for that?—If I should not be intruding too much upon the time of the Commission, in further answer to the questions you have already put, I have a very remarkable statement to make with reference to existing prices and the existing rents, and the probability of careful management coupled with a knowledge of matters proving satisfactory. When I purchased a property comprising the rectory manor of Corsham I came into possession of the books of a Mr. Neale, who owned a very large property in Wiltshire, Dorsetshire, and Gloucestershire, who was a very careful man. His account-books I have beginning with 1739, and going up to 1780, showing the different farms, the rents, the names of the tenants, the amount of stocking, the course that the landlord adopted, and what the tenant adopted, and the result in cases of distress, showing what the stock and effects realised. It is one of the most valuable pieces of information for comparison with the present time that I think the Commission could have; I know the farms. He states the rents at that time, and I know the rents now. At that time money was very much more valuable, but the rents were very nearly identically the same as they are at the present moment.

15,824. Can you put that information in for the benefit of the Commission?—Yes. (*Handing in document.*) This paper contains extracts which have been taken by me; they are extracts from his ledger. These extracts run over a period of 30 years. It seems that during that period the tenant did the repairs, and in most cases paid the tithes, but the landlord paid all the poor, highway, and church rates. The rates are set out in detail. The prices of commodities were very small. Wheat was about 15*s.* and 16*s.* a sack; butcher's meat in some cases was as low as—beef at 2½*d.* The wages were only 6*s.* a week, but then the poor rate seems to have supplemented those wages in the cases of large families and in paying the rent of the cottages. There are two appendices that I put in with it. One shows the results of a sale under a distress; there were several instances of sales, but I have merely taken one. The price of cheese seems to have been remarkably low in those days, and yet it was a commodity which most of the farms seem to have relied upon; cheese in many cases was only 26*s.* and 27*s.* a cwt.

15,825. I have it here, in one part of this paper, that you have handed in, at 15*s.* per cwt.?—It was in some particular cases; I have given a series. Pork was about 4*d.* a pound. Hay at one place is shown to be at 28*s.* per ton, and at another place 30*s.* per ton. Then straw for the keep of beasts is put at 8*d.* per week, and there seems to have been a system of letting out horses and hiring them.

15,826. I think we should want the date put on this paper; but perhaps you will be good enough to fill in the date afterwards?—The paper covers a series of dates; it runs through a period of 30 years. I have marked the date in the margin.

System of farming.

15,827. Now, perhaps you will return to the question I asked you as regards your opinion upon this system of farming being carried on in other parts of the country or in poorer soils than where you are?—It is very difficult to answer that question. As regards my own lands I can speak. I think they have been carried on fairly well. I may mention with regard to these manures and feeding stuffs that at my Bradenstoke property they adopted an entirely different course, that is, they went in for feeding stuffs and manures and the result has been that during the last three years I have had no rent there and have lost a sum of 200*l.* or 300*l.*

15,828. You are still speaking of your own farm?—One of my own farms. As regards the Stanley farm where we have abstained altogether from feeding stuffs and artificial manures and where we have relied upon the farm, we have succeeded to a wonderful extent and have paid for half the increase of stock there and realised a net sum of 1,000*l.*—the 600*l.* I have mentioned and about 400*l.* balance at the bank. But at the Bradenstoke farm, where we adopted a totally different course, although in laying down to pasture, I had that amount charged to the estate account, and not to the farm. That farm has resulted in the last three years in no rent being paid and in a loss certainly to the extent of 300*l.* besides the rent.

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15,829. On that farm your bailiff bought in artificial manures and artificial food?—Yes. The present bailiff tells me that he is tempted in every way: agents come offering all sorts of commodities, but he is adopting the same plan as the other bailiff I have mentioned and is working in unison with him and hopes to make the farm maintain itself. At the present moment what is wanted is an inducement to capitalists to import capital into land. In my early days, say from 1839 and 1840 up to about 1865 or 1870, the ambition of every man who made money, either professionally or in commerce, was to go and invest the larger portion of it in land. For an area of 12 miles, taking Chippenham as a centre, during those 30 years every portion of the land with the exception of two residential estates was acquired by people who had money, and who spent it in building farm-houses, homesteads, skillings, cottages, roads, and material improvements to an extent of expenditure quite, to my personal knowledge, equal to half the fee-simple value, and that without looking for any interest upon it. I believe that developed the resources of the district to an equal extent, that is, it has doubled them. My idea is that you really want at the present moment to get more capital into the land and more stock upon the land, and to facilitate the keeping of that stock by improvements.

Want of capital.

15,830. Taking the district that you have just spoken of, are the farmers there at the present moment helped a good deal by this large outlay upon buildings; are they in a prosperous condition?—I think they are to a great extent. Take one thing that I have endeavoured to do on all my farms, and which is going on in the neighbourhood, that is making closed skillings for the cattle in winter——

Outlay on buildings.

15,831. Still spending money on buildings?—It is not very much. The skillings existed, but they were open skillings. The opinion of several men that I have spoken to, my own farmers in particular, is, that the warmth of a closed skilling saves one-fourth of the food during winter, that is, the animals have not wanted food to generate heat when the skillings have been closed the whole of the winter.

15,832. Are the tenants in that district—I am speaking generally—paying the same rent as they paid at the time you speak of, 20 or 30 years ago?—No. During the last three or four years considerable allowances have been made and holdings adjusted.

Reduction of rent.

15,833. I am speaking as to your knowledge of the district?—They are, I should think, paying about the same rent that was paid at the time I was speaking of, viz., when the properties were purchased.

15,834. Surely rents have gone down very much in the last few years?—Yes; but then they had gone up very much.

15,835. You are comparing the present time with 30 years ago?—Yes.

15,836. Before the agricultural depression began?—Before the agricultural depression began. Then rents were very much in excess of what they were in 1840, 1845, and 1850.

15,837. Is it your opinion that with rents adjusted the farmers can farm to a profit in that district on present prices?—Yes.

Farming to a profit.

15,838. You think so?—Yes, I do. I think so, based to a great extent on these extracts that I have given you to show that the rents at that time were about the same as they are now, and that the saleable value of the produce was not half or anything like it, based also on my own particular instance of the farm I have mentioned at Stanley.

15,839. You still think that more capital put into the land would be beneficial?—I still think that the land is capable of bearing a great deal more than it does at the present moment. I believe further that the great objection with men to putting their capital into it now is the uncertainty that they have with regard to the Agricultural Holdings Act and other matters connected with it.

Want of capital.

The Agricultural Holdings Act.

15,840. Are you speaking of the tenants now?—No. I mean that London people for instance, will not import money into land. No man in London will look at the thing. In the first place men say "I do not want to go " and be cursed"; in the next place there are all these squabbles. Directly a man comes into a farm he begins

Compensation.

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to think what his compensation will be on going out, and as soon as ever a notice to quit is given to a man there are half a dozen men who come and offer to make out claims for him, just the same as in a railway accident, and these touting men say "You do this," "You do that." I have had two this last year. One man who left a farm in the neighbourhood of Bath sent in a claim for nearly 150*l.*, I think it was, and we had to go to a reference, and it came out that 10*l.* was the very utmost that he was entitled to. My idea is that there should be perfect freedom of contract so that the landlord who has got five-sixths at all events of the joint stock affairs in the holding as compared to one-sixth of the tenant should have something to do with how that land is to be improved or dealt with, and that it should not be at the absolute will of a tenant, who may be chemically ignorant, to say "I will go and buy this, that, and the other" and come to you at the end for repayment.

15,841. Then you would have no Agricultural Holdings Act; you would have no legislation; you would have simply an agreement between the landlord and the tenant?—I want to let the basis of the Agricultural Holdings Act stand, but that there should be freedom of contract so that a landlord may say, "I am "willing to encourage you. I will do what I can; let "us talk it over and see what is desirable for this "land."

Want of capital, and freedom of contract.

15,842. You must have some agreement?—Yes, but before you will be able to get an importation of capital into the land, that is by wealthy men coming and investing money in the land, you will have to make an arrangement, too, so that there will be freedom of contract between owner and occupier as to what the occupier is to do with regard to the land he is taking.

15,843. And you think that if this were carried out there would be capital coming into the land?—I believe there would. What I gather from commercial men and professional men is that they will not buy trouble.

15,844. (*Viscount Cobham.*) As I gather, you think that if the position of the landowner were made more secure and comfortable plenty of capital would come in irrespective of the question of the return from that capital?—Yes, I think so. I do not think with regard to what I mentioned at the beginning about the large amount of capital, the hundreds and thousands of pounds that were changing hands during the period beginning, we will say, from 1835 to 1839, that men then ever looked to a return on that capital with regard to farm buildings, and cottages, and roads.

15,845. But there are a large number of landowners who must, necessarily, look to their rents for their livelihoods; is that not so?—There are a large number of landowners at the present moment who are pinched by all these claims of settlements and moneys to be raised for younger children, and a variety of things; there has been a trying time for them, and a great many of them would be glad to get moneyed men to come in, but moneyed men will not come in merely to buy trouble.

15,846. You mean the more embarrassed and impoverished class would be glad to sell?—Yes, but to induce people to buy freedom of arrangement is wanted so that the man who has a five-sixths interest in the affair should be consulted at all events.

15,847. Do you think that a great deal of money has left the country which would otherwise have gone into the land?—Yes, I think that a very large portion has. That very observation you are making occurred to me only the other day. I was speaking to a very wealthy man, who had made a large sum of money, and he said "I would rather put my money into Greek Bonds or "Argentine things; I know the worst of it then; I "don't get my interest, but I am saved from being "cursed or being denounced as a man robbing the "poor." It is this disparagement of general things with regard to landowners that has frightened and stopped these men, and I do not know that for the last 30 years anyone of importance has gone into it, although I believe men would go into it. With the tenants now the prominent thing is compensation on quitting. Another thing that is talked about is the

Ground game.

Ground Game Act. It is not so much that owners care about the shooting now, but giving this joint right to the landlord and the tenant in hares and rabbits, has produced, in a great many cases, an enormous increase of rabbits. The object of the Act was to stop the tenant being injured by the rabbits, but a great many of the tenants' sons like the amusement of shooting and preserving rabbits. I forget which clause it is, but by one of the clauses of the Act you must not trap rabbits, or poison them, or shoot them for an hour after sunset or before sunrise. Sir Nigel knows a place with some woods round it, where I have been obliged, in order to protect myself against other people's rabbits, to put up miles of fencing. Rabbits, in some districts, have got so numerous that they feed like a flock of sheep. On that Bradenstoke farm I have got five acres of wheat which was most promising, but it is as bare as that box. Both these matters want fairly considering—the Agricultural Holdings Act as regards freedom of contract, and the Ground Game Act.

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Profits from farming

15,848. (*Mr. Whitehead.*) I think you said that you had made 600*l.* upon the Stanley farm in a certain period?—Yes.

15,849. Would you say how long that was?—I think I had the 600*l.* six years ago.

15,850. How many years' profit would that 600*l.* represent?—As near as I am able to make out the account it is this: I have had that in hand, we will say, about 11 years, but all this bull poling and manuring of the land, and breaking it up for a better state of cultivation was paid out of the farm itself, and of the increase of stock the farm has paid one-half and I have paid the other half.

15,851. Could you tell me how much profit per annum the 600*l.* would represent?—The profit would be about 150*l.* per annum.

15,852. That would not be very much profit for a tenant of 215 acres, would it?—The bailiff has had his salary and his house out of it, you know.

15,853. But the landlord has taken the rent?—The bailiff gets 90*l.* a year and his house and milk and a variety of garden stuff and so forth. The 600*l.* might represent 200*l.* a year—it was in about the first three years that I think it was made.

15,854. In spite of having an unlimited capital—any capital that you would like to apply to it—you have only been able to make 150*l.* profit?—It is a limited profit. I wish I had brought the accounts. I would reckon my capital on it at about 1,750*l.*

15,855. I think you gave us to understand that you had spent a great deal of money upon it, and that any money that was wanted was forthcoming?—Yes, I have spent money in extra skillings; and things of that sort.

15,856. That rather goes to show, I think, that capital was not altogether what was wanted; there must be something behind?—There is one thing; I get the old rent you know.

15,857. (*Chairman.*) Did the 150*l.* a year include the interest on your capital or was it beyond?—It is more than the interest on the capital. I must have had the 600*l.* at the end of three years, and the other has gone in increasing the stock.

Productive power of land.

15,858. (*Mr. Giffen.*) You spoke of investments during the period of 40 years previous to 1870, as well as expenditure in improvements which, in your experience, amounted to one-half of the value of the purchase price, and increased the productive power of the land in many cases to double?—Yes.

15,859. When you speak of the productive power of the land in that sense, do you mean the value of the produce or the quantity?—I am saying that on this particular farm we have raised the keeping power of the land to 87 head of horned cattle as against 30. My man tells me that he thinks now he will be able to add considerably to it; in fact we have bought in within the last fortnight seven other beasts.

15,860. What you had in view then was the quantity of the produce more than the value of the produce?—As the stock increases, and the manure and other things increase, so I think the capacity of the land increases.

15,861. I wish to ask you as to the increase of the productive power taken in the value of the produce notwithstanding the fall of prices, how much would that come to?—Would what our milk came to last year give it to you?

15,862. That would help if you compare it with the previous year?—Our milk bill, I think, last year

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came to about 1,130*l.*, and then we had a quantity of oats, and we sold off a quantity of hay. I should think that the product must have been somewhere about 1,650*l.*, or 1,700*l.*, or something like that—say 1,600*l.*

15,863. How would that compare with any previous period taking the total value?—Speaking generally over the 11 years it is somewhere about the same. I do not think that the lessened prices have affected us so much, because the price of milk went up last year rather.

15,864. Then I notice that you are speaking mainly of a dairy farm, a milk farm?—Yes; as regards the other farm the prices went down last year there is no doubt.

15,865. So that another farm, where the produce is not milk, would not stand quite so well?—We have now turned that into a milk farm and laid down a great part of it to grass.

Want of capital.

15,866. Would you say that the chief reason for people not buying land, or putting capital into land of late years has been the trouble and the difficulty, and the denunciation of landlords?—I think a great deal of it is due to that; the fact is no one will look at it.

15,867. You will admit, I suppose, to some extent that the badness of the investment has operated on their minds as well?—I do not think so much of that. I think there is a natural inclination for men to acquire land; the surroundings and the pleasures of the thing go a great way when a man really does not want to have it as an income.

15,868. So that it is the case that the way the landlord has been sat upon is the reason why money has not been going into the land?—That is what very large professional men tell me, and what monetary men tell me, they say, "I don't want it."

15,869. So that your view is quite the opposite of that which has been put before the Commission, that the tenant farmer is the oppressed person?—An owner feels that he is to a certain extent in the hands of outside people, even beyond the tenants. The tenants are tempted to buy, but the landowners say, "We ought to have some influence in laying out this "money that we are to be charged with."

15,870. We have had various grievances stated before this Commission on the part of the tenant farmer to the effect that he is the suffering man in agriculture, but that is not the view that you would take?—Supposing the object is to increase the produce of the country then I am certain it is not. I know one man with a very large experience, and who sees a great deal of the world, who farms 1,200 acres of land in what was the worst part of Surrey, poor, hungry clay. By his infusion of capital he has made the whole 1,200 acres into a garden. If it had not been for this capital imported by him at the present moment that land would not produce more than the street.

15,871. What rate of interest does he get on his capital?—I am not sufficiently acquainted with his books. It is in the neighbourhood of Guildford, and he has set an enormous example to the whole of that district by putting a certain quantity of capital into the land. I do not think that he has looked to the interest so much as to the pleasure of going on and improving the productive power of the estate.

Farm accounts in 1770 and 1894 compared.

15,872. With regard to those figures which you gave with reference to the period about 1770, can you explain why it is that the rents now are only about the same although the value of the produce is so much greater? I think you referred to the wages would that account for it?—The price of produce was very much less; it was 27*s.* a hundredweight for cheese, 15*s.* for wheat and so forth. 36 lbs. of beef were sold at 2½*d.* and so on.

15,873. The point is that the rents are the same now as they were then?—Practically, within a few shillings, rents at that time were about the same. In some parts they were higher.

15,874. If people do pay the same rents now there must be some other outgoing to take away the extra money which they obtain for the produce?—As near as possible the rents of two or three of the farms that I have here are just about the same per acre.

15,875. Then what is the extra outlay which the people have to pay now, is it more wages that they have to pay?—Yes, they have got to pay more wages and they have to pay a very much larger price for stocking their farm, because at the time I am speaking of a cow was only worth about 5*l.*

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15,876. Do the tenant farmers themselves live any better?—They live very much better.

15,877. That makes some difference?—Certainly a difference.

15,878. The tenant farmer himself is a more expensive man to produce?—Yes.

15,879. In comparing these prices have you taken into account the possibility that the quality of the article so long a time ago was not quite the same as its quality now?—I do not think that bears upon it. What I am saying is that money was more valuable no doubt, but that they paid in that, to them, more valuable money the same rents practically that they do now, and that the sums which they received for cattle and other things were only about half.

15,880. Are you quite sure that money was more valuable then?—I think it was in this respect, that they bought the commodity at a low price.

15,881. I am asking if the commodity was quite the same?—I suppose wheat to a certain extent was.

15,882. I am speaking especially of cattle?—They were not perhaps so good, but they must have produced food. They required to have a hardier cattle. When I just entered upon life, when this capital I am speaking of was imported into our district, I do not suppose that there was one farm in three or four or five I may say which had any skillings at all for their cattle. They had great hedgerows in the winter and wattled places for them to feed in, and that necessitated their having a hardier breed of cattle than we have been able to have in the present day, not so productive, not so easily fattened, not so good for milking purposes, but still necessarily hardened to endure the cold winter.

Freedom of sale.

15,883. (*Mr. Gilmour.*) You put a good deal of stress, I think, upon being able to turn into money some of your produce?—Yes.

15,884. I want to know whether the tenants round about you have the same freedom of sale?—Freedom of sale, of course, for all animals.

15,885. I refer to their crops. Have they the same freedom of selling hay and straw, for instance?—The general understanding is that if they sell their hay or straw they must bring back an equivalent of manure of some sort for it. But there is no restriction; generally they may sell it. The covenant in the agreement is that they are either to consume it, or to bring back an equivalent. One of my tenants only within the last fortnight said: "I think I can do a good turn by selling "a lot of hay. I have about 30 tons, I think, that I "can sell off if you have no objection. I thought I "would mention it to you." I said: "I have no objection." He said: "I will bring some manure in."

15,886. I understand then, that they have to come and ask the proprietor's leave before they can do so?—Yes, that is supposing it is in the agreement. As I say, we want freedom of contract, and the right for men to contract, because a man, when he enters on his farm, can make his choice and say: "I should like to sell everything," or otherwise.

Dairying.

15,887. Are the farms round about chiefly dairy farms?—Mainly, I should think three-fourths of them are; they are mixed farms.

15,888. Have you a good market for your milk?—We have a large factory in the immediate town which takes the milk of about 2,000 to 2,500 cows; then other farms send it up to London. What they complain of is that the railway rate is a little too large, and that our English railways do not do the same as the American railways do—that is, suit their rates to the value of the produce that goes up.

15,889. What average price are you getting for this milk per gallon?—We are getting from the milk factory at the present moment I think it is 5¼*d.* per imperial gallon for the six summer months, then 8*d.*, I think, or 7*d.* for the months beginning with September, and then 11*d.* for the two winter months; that is delivered at the factory. We get more in London, but then we have barn gallons, and we have to deduct a little in consequence. One of our farms sends up to London and the other sends to the factory, and perhaps the return is a little more in favour of sending it to London.

15,890. Is the dairy work increasing in your district?—No, we all sell the raw material if we can.

15,891. Is the production of milk increasing?—Yes, very much indeed. I have tried on one of my farms adopting the very best process we could to make Cheddar cheese; we succeeded very well, but after trying it for a couple of years I found I could not make it so profitable, taking the labour into account, as selling the milk. I am satisfied that the quicker you get rid of your raw material—whether it is calves, or pigs, or lambs, or anything of that sort—the better. You must get quit of them; you must turn them into money.

Results of farming on two farms compared.

15,892. (*Mr. Little.*) You have compared two farms in your own occupation, I understand?—Yes.

15,893. One has been successful and the other has been a failure?—Yes, during the last few years.

15,894. A comparative failure then?—During the first three years I had a very good man as bailiff, but he went to some agricultural college near Salisbury. He did very well, and it paid; but then I had a bailiff who was not skilful, and he was tempted into buying these artificial manures, and that broke it down.

15,895. Then you attribute the comparative success or comparative failure to the system of management?—I do.

15,896. Was the success due to depending upon the farm for its own supply?—Yes.

15,897. Are those two farms fairly comparable in character?—I think so; they are not very far apart.

15,898. Now the two bailiffs, I understand, are working in unison together, and they adopt the same plan of selling the things as soon as they can?—Yes.

15,899. One is almost entirely grass, is it not?—Yes.

15,900. 35 acres out of 215?—There might be 25, not more, arable.

15,901. It is grass of good quality, I presume, from the rent having been 45*s.*?—Yes.

15,902. The other farm was two-thirds arable?—The other was, and of course it has not come on so well.

15,903. I presume, therefore, it is of an entirely different character of land?—Yes, it is different land.

15,904. What was the rent of it when it was let?—The rent of this other farm when it was let to the last tenant was 550*l.* a year, and previous to that it used to let for 800*l.*

15,905. At 550*l.* a year, that would be less than 30*s.* an acre?—Yes, somewhere about that.

15,906. As against 45*s.*?—Yes.

15,907. But you think the difference in the results on the two farms is not due to the character of the farms but to the management?—Yes, the other farm, which is of 400 acres, was originally let on lease, and it used to let at about two guineas an acre.

15,908. Do you think the fertility of the farm can be maintained if the milk and the hay are sold?—Not if the hay was sold and nothing was brought on.

15,909. You must have something brought back in place of the hay?—Yes.

15,910. Otherwise the farm would not maintain itself?—Yes, there must be a proper economy in the manures; that is a very essential thing.

Leasehold tenures.

15,911. In the notes of the evidence that you were prepared to give there is a reference to the subject of leasehold tenures which you seem to regret the disappearance of?—I regret it very much indeed. There is a very large tract of land in this country which is held by eleemosynary bodies or by colleges. In my early days a very large portion of this property was leased out for a certain number of years terminable on lives, where the occupier himself without having put his hand into his pocket for the whole amount of capital necessary to buy the land, got a quasi-ownership which induced him to treat it as his own, and to manage it as if it was his in perpetuity. Unfortunately an Act of Parliament was passed some few years back—I do not know at whose instigation—prohibiting those bodies letting their land for more than 20 years; and the consequence is that all these old leases have died out, and the land has got into disrepute. When the men found their leases were running out they farmed the land I presume for quitting.

15,912. You think that the leaseholders were improving occupiers then?—Yes, I am quite satisfied of that; Christ's Hospital and the Sons of Clergy Society held together, I daresay, land that used to amount to 40,000*l.* and 50,000*l.* a year, pretty nearly. Charterhouse and Eton College are also large holders whose land was let out on lives.

15,913. We have had evidence from receivers for estates where leasehold estates have fallen in, and we have been told that the expenditure upon those estates has been enormous in consequence of the bad condition in which they were left?—It is very possible; this Act having been passed, seeing that there could be no renewal, the men took as much as they could out of the land, and that is human nature.

15,914. I am speaking rather of the permanent improvements in the nature of buildings?—I do not know about that; but as far as I know, the holders under colleges did well, and the colleges also.

Want of capital.

15,915. (*Mr. Chaplin.*) I understand the general drift of your evidence is to this effect: that if agriculture is to become prosperous again more capitalists must be induced to purchase land?—To get capital into it; I know of no other mode than that.

15,916. At present you hold that they are deterred by legislation or by the fear of it?—I do, and I hold it not as my individual opinion, but as the opinion of a large number of professional men whom I have talked it over with, and a large number of capitalists whom I have talked it over with, who simply say, "I won't buy trouble."

15,917. If they were encouraged to invest their capital in land again you are of opinion, I think, that agriculture might still be made to pay?—I am.

15,918. When you say that do you mean at the present range of prices?—Yes.

Freedom of contract.

15,919. In order to encourage them to invest their capital, what you desire to see, I understand, is greater freedom of contract between landlords and tenants, is that so?—Quite. So that if the landlord chooses to make an arrangement for advancing an increased capital to the tenant he can do so on certain stipulations as to the mode of cultivation being carried on under his personal supervision.

15,920. Do I understand that you would be opposed to amendment of the Agricultural Holdings Act, or to other legislation, the object of which would be to give greater security to tenants for compensation for improvements made by them?—I think there ought to be entire freedom of contract between man and man. I have no idea that our existing men are so imbecile that they cannot take care of themselves, and that they require a paternal Government to be laying down rules that they shall not do anything that in the opinion of Parliament is unwise, without Parliament having given any justification or explanation of such a course. Why are men more ignorant or incapable of carrying on their business now? What I say is, that the man who has the least scientific knowledge of the two who are in partnership is to be the arbitrator of what he is to do, and what he is to take, and he is to compel the other to pay him. With regard to a large quantity of these manures and feeding stuffs, if I had my view entirely nothing should be paid for them beyond what is the real value of them. But the tenants are tempted, as I say, by circulars—every moment I get them. A new bailiff comes there, and he is flooded with them; for seeds, for cake, or this class of manure and the other class of manure. My bailiff that I have talked of, who is a sensible man, says: "I cannot understand where "I am to put the money directly I part with a sove- "reign. If I go and part with 70*l.* for these things, "where can I put it; how am I to get it back again? "I know what a sovereign will bring me if I go to "market with it, but if I put it into this stuff I do not "know where it is to go; what return I am to get for "it, where I am to class it." I am quite satisfied that a farm properly managed and skilfully managed, I do not say that there are not some exceptions, can be made to pay itself, you can sell one part of the produce and watch the markets and buy Russian barley, say, when a chance occurs, or anything of that sort. I must mention a very remarkable statement of a very intelligent and large farmer friend of mine, who is also a cattle dealer. I met him at Swindon the other day, and he said: "I do not know what we farmers would have done if it had not been for the Russian barley."

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Want of capital.

15,921. (*Mr. Everett.*) I see you state that it is your opinion that even in these days farming may be made to pay a large return on the capital employed by the tenant?—Yes, a fair return.

15,922. Is it not the fact that farming is a very pleasant occupation?—I dare say.

15,923. One which is a popular occupation?—If it is contrasted with other business; I do not know that it is so popular just at present.

15,924. Perhaps you will understand best what I mean if I connect my questions. I was going to ask you if it is not the fact that farming is a pleasant and popular occupation; is it not also the fact that in this country there is any quantity of capital ready to flow into any business that will pay, and is not the very fact that a great many farms go begging, and that you cannot get a tenant at any price at all for many of them, a proof that in the opinion of those best acquainted with the business there is not a profit to be made?—I do not know that.

Farm accounts in 1770 and 1894 compared.

15,925. They could have the money to put into it if they could be shown how to make a profit?—I have put these statistics in in order to show that there was a time at all events when prices as regards cattle were about half what they are now and rents were the same. I suppose it did pay, because during a period of 35 years the rents were always paid.

15,926. You also assured us that at that time the wages—which are a very great item—were less than half what they are now?—Yes, but there is a great deal to come in mitigation of that. There is the increased value of machinery. I look at all these things. Take the very question of haymaking. I take it that the elevator saves two men to begin with; in the same way with a small steam engine you are able to do a lot of work in threshing and things of that sort, which was done entirely by manual labour then. You cannot compare without looking at the question of machinery, the low rate of wages then with the wages that are paid now. I do not think it is so large an element as some people think, but that is one question that does to a certain extent come in—Saturday nights always come round, and the men are always ready to have their money.

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Farming to a profit.

15,927. What strikes me is that the evidence you have given or the opinion you have expressed in regard to the possible ample profits of farming even now is contrary to the whole weight of testimony which has been laid before us?—Possibly.

15,928. And contrary to existing facts in many of the counties of England, where land is actually going out of cultivation because people will not farm for nothing?—There is a very large difference in land. In an uphill farm, where there is a very large quantity of poor arable land, there the expense of labour would militate against it, but that is to be met in some way or other and counteracted. I am speaking of course very much of my own immediate district, where the land is all fair and good. There are parts of Hampshire with very poor soil. I do not know what was done in those days, perhaps it was left a sheep run, and it may not be letting at the present moment—it never did—at more than about 5*s.* an acre. There is no doubt but that this question of tithes is a great burden on some of the farms, but that has more or less got on to the landlord.

Tithe.

15,929. The tithe was paid in kind mostly a century ago or a century and a half ago, was it not?—Yes, partly so, but in many cases, in money compositions. There is, however, another question also, payments in kind, if one might venture to mention it. You say paid in kind. I have had it put over and over again to me by the men themselves, why should not they take a certain produce of the farm in the shape of milk and things of that sort instead of having to go to the shops and deal for it? I think the Commission ought to consider the stipulations with regard to the Truck Act. In a great number of cases men might have a certain quantity of milk and other produce given out to them in lieu of the equivalent in money. Now the milk goes into the factory, and then it has to come back, and they are paying quite double the price at which the farmer sells the milk wholesale.

The witness withdrew.

Mr. C. S. Read.

Mr. Clare Sewell Read called and examined.

Mr. C. S. Read.

15,930. (*Chairman.*) You farm, I think, 750 acres in Norfolk?—I do.

15,931. As a tenant farmer, or is part of it your own land?—That is as a tenant farmer.

15,932. And you represent here the Farmer's Club and the Norfolk Chamber of Agriculture?—I do. I wish just to qualify that statement about representing them both, because upon one point these agricultural associations are opposed to each other, and only one point that I know of, that is with regard to the importation of Canadian healthy store cattle. The Norfolk Chamber of Agriculture is much in favour of it, and the Farmer's Club is dead against it.

15,933. Which way do you incline yourself?—I incline to my own county.

15,934. With the exception of that point you represent both of these associations?—I believe I do; and they coincide with each other, I believe, mainly.

15,935. Your evidence will be mainly relative to the eastern parts of England, and especially Norfolk, I believe?—Just so. Might I refer to my own farm, please?

Description of farms.

15,936. Yes?—I would say that five years ago I gave up three small farms which were almost contiguous to my own, and I hoped I should have been content with my home farm of 400 acres for the rest of my life. But this last Michaelmas I had to take a farm of 320 acres. My brother is the rector of a small parish in which this farm is situated, and he used to let this farm of 320 acres at 24*s.* an acre, but it had been reduced to about 200*l.* a year. Last year the tenant failed. My brother advertised the farm, and the only *bonâ fide* bid that he got from a solvent tenant was 2*s.* 6*d.* an acre, and consequently I had to take those 320 acres into my occupation.

15,937. Out of brotherly love, I suppose?—Certainly with no idea of profit.

15,938. Do you agree to pay rent for it?—Yes, I have agreed to pay 100*l.* for the first year and then 150*l.* a year afterwards.

15,939. (*Mr. Chaplin.*) His only offer was, how much?—Half-a-crown an acre. It is in a very bad state of cultivation. I need not say that, but it is fair light arable land.

15,940. (*Chairman.*) You have agreed to give 100*l.* for the first year and 150*l.* a year afterwards you say?—Yes.

15,941. Is it glebe land?—Yes. It is one of the few cases in Norfolk where the parson's income is derived entirely from land and not from tithe. There is no tithe in the parish.

15,942. In respect of the other farm which you have in your occupation, has the rent of that been considerably reduced?—It was not advanced for 50 years.

15,943. What is the rent now?—We have had a reduction of about 20 per cent. in two different reductions, and the rent and tithe are now about 26*s.* an acre. That is a very nice arable farm, nine-tenths of which are under the plough.

15,944. (*Viscount Cobham.*) Does that include the shooting?—No, it does not include the shooting.

15,945. (*Chairman.*) I understood you to say that for a great number of years the rent had remained the same?—For 50 years.

15,946. Therefore it was rather low rented, I suppose, a few years ago?—It was very low rented some 30 years ago no doubt.

Farm rents.

15,947. And therefore the rent has not been reduced in the same proportion as other farms?—Certainly not. Then I might say with regard to the rent of an arable farm, although it is an old saying that you ought to make three rents, if you do not make six or seven I am quite sure you cannot live.

15,948. (*Mr. Chaplin.*) Six or seven?—If you cannot make six rents off your arable farm there is no farmer in England can live.

15,949. (*Chairman.*) At the present time?—Yes.

15,950. Formerly the proverb was that there must be three rents made out of the land?—Yes.

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15,951. Now in consequence of the reduction of rent, you would say the farmer must make six?—I would not say in consequence of the reduction of the rent; I say in consequence of the increased expenses that we have in these days of high farming.

Agricultural depression. Bad seasons.

15,952. Now with regard to the agricultural depression in your district, will you state what your experience has been as to its length and extent?—First of all I will take the seasons. We have not had an all-round good crop of farm produce since the year 1874. Corn and roots and hay in that year were good, and they have not been all-round good since that period. Then in 1879 we had a very disastrous year, which I think was common to the whole of England. Then in the years 1891 and 1892, we had two cold miserably wet seasons, and in 1893 we had the great and terrible drought which I think extended over the chief part of the east, the middle, and the south of England. That year I would say was exceptional in this way, that whereas in all other hot dry years we have had a great crop of wheat, in 1893 we had a small crop of wheat, and whereas in those dry hot years generally speaking we have had a very fine quality of barley; in that year we had a very inferior quality of barley, about one third of the crop of hay and taking the county throughout I suppose not half a crop of roots.

15,953. As a general rule the hot season is advantageous to the east of England I suppose?—But for a light land country we must have the wet too.

15,954. (*Viscount Cobham.*) Are you not more afraid of a drought in Norfolk than a wet season?—Yes, very much more so. We can stand any amount of rain if there is a fair amount of heat.

The depression in Norfolk.

15,955. (*Chairman.*) You have had three exceptionally bad years consequent on bad seasons?—Yes.

15,956. Two very wet seasons with low temperature followed by one of exceptional drought?—Yes. Now I may say that the condition of the farmers of Norfolk is verging on absolute ruin and wholesale bankruptcy. We are very very poor. Now I wish to make one exception to that if you will allow me. There is a district in Norfolk that we call the Land of Goshen; it is in the north-east corner of the county; it is deep friable arable land that has been farmed well for 200 years. The rents in that locality have not fallen in the same way that they have in other parts of Norfolk and last year they were exceptionally blessed by having a good crop of corn and a fair crop of roots. They had sea fogs in the spring which kept them going and they had thunder storms almost all through the summer, so that that portion of the county which lies north-east of Norwich has been fairly dealt with by Providence during that great drought.

15,957. (*Mr. Chaplin.*) May I ask again for your two expressions. I think you said "wholesale ruin" ——?—I say absolute ruin and wholesale bankruptcy and I really mean what I say.

15,958. (*Chairman.*) Then in this district to the north-east of Norwich that you speak of have the farmers weathered the difficulties?—Yes, I think they have fairly well. They have had the advantage of not only growing a large crop, a much larger crop of grain than we have, but their barleys have been of a better quality than the rest of Norfolk.

15,959. Then comparing their condition with that of the farmers of the other parts of Norfolk one would conclude that the main difficulty has been one of seasons?—Yes, and there is also this to be considered, the nature of the soil. It is good deep arable land which has been farmed well, and it will stand wet and stand drought and almost every year bring you a good crop.

15,960. But, still, they had the advantage of some degree of wet last year?—Yes.

15,961. Whereas the rest of Norfolk did not?—It did not.

15,962. Therefore, one would conclude that it has been the bad seasons which has mainly operated against the other parts of Norfolk?—The bad seasons, and, of course, the low prices in inferior districts where they grow an inferior quality of corn.

15,963. Then in the district that you speak of in the better land, they get a superior quality of barley and wheat which fetched a higher price in the market?—Yes, barley particularly.

15,964. What has been the effect upon the various classes of the agricultural community of this depression; take the landlords, in the first instance?—Might I just say my own losses?

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Income tax. Schedule B.

15,965. Yes?—I think during the last eight years that I have appealed successfully on five occasions against Schedule B., and have got the amount of that tax returned. I have no fault to find at all with the way in which farmers are now allowed to appeal under Schedule B; that is to say, they can take a statement of their cash account for the year, and with a declaration that the stock and crop remain about the same upon the farm, without a valuation, which, I consider, is a great boon. Of course, in the first place, farmers cannot make a valuation themselves, and if they did it would be most misleading.

15,966. They are not obliged to make a valuation of their stock?—They are not.

15,967. They merely make a declaration that their stock remains about the same at the end of the year as at the beginning?—Yes.

15,968. And then the income tax is assessed upon the bare outgoings and incomings?—Yes.

15,969. (*Viscount Cobham.*) If the stock has varied much would it not have to be valued?—They have to say if the number is less or more. With regard to the price or the value of that stock, they are not required to make a valuation.

15,970. (*Chairman.*) Are we to understand that you have appealed against Schedule B. in eight successive years?—No, out of five years. The reason that I have not appealed in the other years is, perhaps, rather a ridiculous one, but it is just this: when you give up a farm as I did five years ago—I gave up three farms, and had worked them all together—it is extremely difficult to know where to apply all your outgoing crops and stock that you sell. It is the same now in the present year when I am taking this farm; I know I shall lose money, but I have already paid Schedule B. and it is impossible for me to appeal against it, although I know I shall have a great deal to spend, and I am equally certain that I shall have nothing coming in.

15,971. Apart from the difficulty you have been speaking of in the way of taking on a new farm, or in giving up an old one, you have not found a difficulty in dealing with the question of an appeal against the assessment?—No, none at all.

15,972. You have appealed in how many cases?—I think five years out of eight I have appealed.

15,973. On the ground that you made no profit equal to Schedule B.?—Yes. I may say that if farmers would keep accounts they could almost all of them appeal—I am quite sure of that, and would appeal—but they seldom keep accounts, and therefore cannot appeal. The majority of farmers do not keep accounts beyond their banking book.

15,974. Would you say the majority of farmers in your district pay the income tax, although they make no profits?—Yes.

15,975. Or make less than the profits indicated by the Schedule?—In the last three years I am certain that they have paid a great deal of property tax which they might, if they had kept better accounts, have been refunded.

15,976. But you make no complaint of the process under which the claim is made?—Not at all.

15,977. Therefore it has been the fault of the tenant farmers for not keeping accounts?—Entirely.

Results of farming.

15,978. Then taking the average of the eight years how have you done?—I have lost a lot of money. I do not like to say how much, in fact, I do not know, and I say nobody does know until either they are dead or they are bankrupt or something of that sort. We keep going from year to year, and it is very difficult to know exactly what we have lost or what we have gained, but I have lost money on the average for the last, I think I may say, 20 years—certainly I have made no money. I have not made 10 per cent. one year since the year 1874.

Reduction of rents.

15,979. Then as regards the landlords of your district, what has been the effect?—The larger landowners have reduced their rents; some of them, I am sorry to say, hardly reduced the rents in time. I got into a terrible row some years ago when I was a member of Parliament, because at an agricultural dinner I advised the landlords to make those concessions to the

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old tenants that they were forced to make to the new ones; but some of them did not take my kindly hint, and on those estates there has been a considerable change of tenancy; but upon the others I am happy to say that timely reductions have kept the tenantry there. We have singularly few changes now, and that, I apprehend, results from this—that landlords are willing to take any rent, and to keep any tenant there they possibly can; and what with the landlords and the bankers the tenants hang on somehow.

15,980. What has been the average reduction of rents in your district, would you say?—I think the average reduction of rents, taking it all round, is something like 33 per cent. In the district which I have referred to, the north-east part of Norfolk, I do not think the reduction has amounted to above 15 per cent., possibly only 10; then on the very light and the very heavy lands there have been reductions from 50 to 75 per cent., so that I think I may strike an average and say that rents have been reduced within the last 14 or 15—well, 20 years we will say—fully 33 per cent.

15,981. Now taking the district of North-East Norfolk, where you say the reduction has been 15 per cent., what is now about the average on the land in that part; is it above 1*l.* an acre?—Yes, I should think rent and tithe there would amount to a good 30*s.*

15,982. Still 30*s.*?—Yes, still.

15,983. Take the next district, the better land in the other parts of Norfolk, not the very light or the very heavy, but where an average reduction has been made of 33 per cent., what should you say is the rental there?—From 15*s.* to 20*s.*

15,984. And in the worst district, the very light and the very heavy?—2*s.* 6*d.* to 5*s.* an acre.

15,985. What proportion is there of land of that kind?—We have not much heavy land in Norfolk. A little of it abuts on Suffolk, but there is a very large amount of ordinary land in Norfolk, some of it light chalk, some of it thin gravel, and there is a good deal of very ordinary fen land.

15,986. What proportion of the land should you say was reduced to 2*s.* 6*d.* or 5*s.* an acre?—Certainly not one-fourth.

15,987. When were these reductions made generally?—They have been going on for the last 15 years I should think. They, of course, were more general on those farms where the rents have been raised, and now I think we have got, generally speaking, a permanent reduction of rent, although in these last two years, in consequence of the bad seasons, there has been a further rebate of 10 per cent.

15,988. But that has not taken the form of a permanent reduction?—No, it has not at present, but it must do.

15,989. It may?—I think it must.

15,990. (*Mr. Chaplin.*) Is that included in the reductions you have given us, or is that in addition—I mean taking your average reductions; were those further rebates taken into account?—No.

15,991. These rebates are in addition?—Yes, they are in addition; you see they are so very partial.

15,992. (*Chairman.*) And they are due to the very bad seasons of the last three years?—Yes, and to the drop in prices.

15,993. I presume that some portions of those reductions followed upon the bad year of 1879?—They did; they began then, certainly.

15,994. And then later there was a further reduction?—There was a further reduction.

Rates.

15,995. Then I presume that the tenants have had the benefit of their reduction of rent in the reduced assessments for their rates?—They have; where there have been permanent reductions they are generally allowed.

15,996. Should you say generally that they have had the benefit of that reduced assessment?—Some unions take actual rent and others do not, and in some of those unions I do not think that they have allowed the reduction. I know an instance where there is just a nominal rent—they never go down to that. In my own instance where I said that I was going to give 100*l.* a year for these 320 acres they would not reduce the assessment below 180*l.*, for there they do not take actual rents. I am chairman of the assessment committee in my union, and we always do take actual rents.

15,997. But in the case of this farm you have just taken in hand, I think you said that for a year the rent was to be 100*l.*?—Yes.

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15,998. And for the next year 150*l.*?—Yes.

15,999. I suppose in that case they would put the assessment at 150*l.*, not at 180*l.*?—They have put it at 180*l.*; that is what they have put it at; I do not know whether they are going to alter it.

Tithe.

16,000. In regard to the tithe, what has happened?—The tithe is down 25 per cent., but it is a great burthen upon the land when the net income of the owner I am quite sure has been reduced 50 per cent., because in addition to what he has actually lost in the shape of rent, tenants now-a-days require so many more good buildings, and they also insist upon the repairs as a rule being done by the landlord, and of course all the outgoings that he has hitherto had to pay have fallen upon about half his income, and they feel the burthen of the tithe.

16,001. In regard to the tithe, has the landlord taken upon himself the tithe?—Yes, I think, generally speaking, now he has.

16,002. And he has not raised the rent in proportion to the tithe which he has paid?—I think that on the majority of estates, long before the passing of the last Tithe Act, the landlords in Norfolk had paid the tithe. I might say that in the county of Norfolk we pay more tithe than the whole of the 12 counties in Wales. Whereas this reduction of 25 per cent. is chiefly caused in consequence of the reduced price of wheat that we grow, the Welsh farmer does not grow any wheat, but he gets the benefit of the reduction.

16,003. The East of England generally has paid high in the shape of tithe, I think?—Yes, all the corn districts in England have paid a heavier tithe.

Corn returns.

16,004. Then you say that the landlords have had to make a much greater outlay in consequence of the demands of the tenants, and have taken upon themselves repairs to a larger extent than previously?—They have. Might I make an observation upon the corn returns. I think that the case of the tail corn, which has been mentioned, I believe, by some witnesses here, is now fully met by the weight which is appropriated to the different cereals. Wheat is taken at 60 lbs. to the bushel, and that allows for the tail corn in my opinion which they said was previously sold separately.

16,005. You do not think there is much grievance, then, on that point?—I do not think there is any grievance in that, but there is a grievance which might be easily remedied, and that is the repeated sales of the same bulk of corn. It is as easy as possible just to say: "You must not return any corn except it is bought direct from the grower." If you did that there would be an end to that altogether. But now sometimes, barleys for instance, are sold three or four times over, and being the best qualities that are sold in this way, of course there is a considerable amount of increased price there, which is not legitimate.

Sub-division of farms.

16,006. Has there been any change in the size of the farms in your district?—No. I do not believe there has been any change except in this way that when a landlord has got a farm into his own occupation he generally tries, if he can, to cut out a small holding from it.

16,007. And in that respect there has been some increase of smaller farms?—There has been some increase, yes; but it is very difficult to say how much.

Land laid down to grass.

16,008. Has there been much change in the cultivation of the farms—much land laid down in grass?—There is some land that has been laid down in grass that was broken up from sheep walk and rabbit warren. That has gone down to grass as long as it will continue in grass; but, unfortunately, the soil is so light, and the climate so dry that the grass seems as if it would not exist above a certain period, and it has to be ploughed up, cropped, and laid to grass again. Might I make one observation about yeomen?

Yeomen in Norfolk.

16,009. Yes?—We have had a good many yeomen in the county of Norfolk, and I say that they are much the hardest hit of all. They have got to bear both the losses of the landlord and the losses of the tenant, and there have been the most disastrous failures. A good many of our farmers some 25 years ago were told that the best thing that they could do was to buy their farms, and they did so. But they had not enough cash, and they had to mortgage their farms. They have gone to the wall worse by far than the common tenant farmers. There are a good many of our old

and most respected yeomen who have disappeared within the last few years. I feel confident that they will almost all of them go unless there is a change for the better, provided of course that they have not got other means or anything of that sort. With respect to the yeoman who farms his own estate we always used to say that "a man who farms his own estate had a fool for his tenant"; and he is a bigger fool than ever in these days because there is no profit whatever to be made from it.

16,010. Where the land has been sold what has happened; has it been bought by other persons who farmed the land themselves, or has it been bought by an adjoining landowner?—It has chiefly been bought now-a-days by people who have been successful in trade, butchers, dealers, men who have made money perhaps by breeding horses—generally speaking it is some man in the district with a certain amount of capital, and he has been a trader.

16,011. And they farm it themselves?—They farm it themselves.

16,012. Then it has gone from one yeoman to another, so to speak?—It has, if you call them yeomen, but they continue still to practise their trade, and I daresay they may get on. As a rule they farm it pretty well too, if they are butchers.

16,013. They have brought in capital?—Yes.

16,014. And they have got their land cheap?—Yes, and they have got the advantage of having a trade at the back of them, which almost all small farmers ought to have.

Wages.

16,015. Now as regards the labourers what has happened?—The labourers' wages, I think, have been reduced about 15 per cent. from the highest point they were some years ago. We are told that we are paying 10*s.* or 11*s.* a week wages, but I believe that every able-bodied labourer in constant employ who receives those wages really gets from 14*s.* to 15*s.* a week in the course of the year taking it all, harvest wages, task work, and extra work.

16,016. Is that after the reduction at the present time; you say they are now getting 14*s.* or 15*s.*?—Yes; we used to pay about 12*s.* or 13*s.* per week.

16,017. (*Mr. Chaplin.*) What do they get now?—10*s.* and 11*s.* and 12*s.*, according to what they are. There are a considerable number of men out of work this winter, mostly young fellows. No really good agricultural labourer, I believe, has been out of employ, not in my district, but there are, in some of the heavy lands, a very great number of men who have only partial employment, I believe.

Juvenile labour. Women's labour.

16,018. (*Chairman.*) Is there much juvenile labour employed?—No, we have a difficulty in getting boys; they are kept at school so long now-a-days that they do not care for farm work very much, and unless a boy begins to know something about a horse by the time that he is 11 or 12 years old, he never takes to them very kindly. We have a great difficulty; we often have to set men to do boys' work. The women's labour is almost entirely extinct with us. We hardly get any women to come into the fields; not only that, but they do not even care about gleaning now-a-days, they do not come out to glean. Last year we had a most enormous crop of acorns, which could be sold at a shilling a bushel, and they were not all picked up. Then we have flints on our lands which are extremely useful for the purposes of road-making, and we cannot get them gathered. Then, generally speaking, I might say that you do not see a woman outside her cottage at all now-a-days.

16,019. Has there been a great change in that respect?—Yes, a great change, and it is a good change in a great number of ways.

Condition of labourers.

16,020. Do you think it is a symptom that the labourers are better off as a whole?—I think it must be.

16,021. It must be?—Yes, it must be, they are very much better off.

16,022. Then I presume that although the wages have been reduced in amount, yet, considering the low price of wheat and other food, they are, perhaps, better off than they were?—They are very much better off now than they were 30 years ago, where they can get employment. The only thing is how long they are going to be employed—that seems to be the difficulty.

16,023. Without going back to 30 years ago, comparing them with 10 or 15 years ago, what would you say?—The cheapness of produce has been greater than the reduction in their wages, no doubt.

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16,024. They are better off then in that respect?—Yes, but the cost of the labour to the farmer, you know, is more than ever, although these wages have been reduced.

16,025. (*Viscount Cobham.*) But you say the women are earning little or nothing?—The women do not do anything in the land and they do not brew at home, which they might do, and they do not bake at home.

16,026. (*Mr. Little.*) Do they work on the allotments?—I seldom see a woman doing anything on the allotments.

Cost of labour.

16,027. (*Viscount Cobham.*) You think, notwithstanding the loss of the women's earnings, that the labourers are better off?—They must be better off or they could not dress or look as well as they do. But with regard to the farmer, I say that the cost of the labour is more than it was. You get worse work, and you get less work and less hours. We have had no strikes lately, but I have no hesitation in saying that if a general strike was to be ordered by the Labourers' Union I believe my men—although I am sure any of them would rise at midnight to serve me—would strike even if it ruined me, and I could not depend upon half-a-dozen of the men. Might I give you my bill of labour for the last four years on a farm of 400 acres? In the year 1890 it was 819*l.*; 1891, 855*l.*; 1892, 840*l.*; 1893, 797*l.*; that is an average of more than 2*l.* an acre, and that does not include the wages of the groom or of the dairy maid, which I think ought to go in.

16,028. (*Mr. Little.*) The reduction in the last year would be in consequence of the short root crop, I suppose, and no weeds growing?—Yes; and the small bulk of hay and corn to harvest as well.

Wages.

16,029. (*Captain Owen Thomas.*) What is the average wages you pay; what do you pay your labourers?—I have been saying that the average wage would be about 14*s.* a week through the year.

16,030. (*Chairman.*) When you take everything into account with harvest and piece-work?—Yes; and supposing that the man is well, you must think of that.

Uncultivated land.

16,031. Has much land that was brought into cultivation in the last 50 years gone back to its original state?—Yes; almost the whole of the land that has been improved during my lifetime has almost all of it now gone back into its original condition.

16,032. (*Mr. Chaplin.*) Throughout the county is it?—Throughout the county. Take the light lands which have been broken up from sheep walk or rabbit warren, they are not worth so much as they were then in consequence of having been broken up and the inability of keeping them down in grass. Then there is the very heavy land which has been well drained, well tilled, and steam cultivated, that has gone back pretty well into what it was before. Then with regard to the fens, almost the whole of the light ordinary fens that I know of in Norfolk which were drained some 40 or 50 years ago have now relapsed into their former condition. I think the Duchy of Lancaster has a large estate in the south-west of Norfolk, a great portion of which is fen land. I can remember that being broken up and for years being capitally cultivated; good houses were built upon it, excellent farmsteads; now if you go there you will find that the whole of the land, I believe, is in the hands of the Duchy; there is a bailiff here and there, and a few fields are cultivated just round the house, and the other has lapsed into its original state.

16,033. (*Chairman.*) I think you said that the land which was let at from half-a-crown to 5*s.* an acre formed about one-fourth of the area of the parts of Norfolk other than the north-east?—I should think that is about it.

16,034. Has all that land gone back into its natural state, or some of it not?—Now and then you will find some of it still under cultivation; as I say with regard to this very light land that was broken up it cannot go back into the original state because we find it so difficult to get it there. If we could put it into sheep-walk again we should be exceedingly glad.

16,035. (*Mr. Chaplin.*) This land that you describe as having gone back is light, heavy, and fen land; I think we ought to have the amount of the three. This land that you spoke of as having been improved was in three different classes, and it has all gone back to its original state?—Yes, most of it certainly.

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16,036. Can you give us any idea what proportion it is of the county of Norfolk?—I should say it is not a fourth.

16,037. Altogether?—No, not altogether.

16,038. (*Chairman*). Not a fourth?—Not a fourth. Of course, there is some of it that is still under the plough.

16,039. Is that the land in respect of which rent is still paid from 2*s.* 6*d.* to 5*s.* an acre?—There is a good deal of that land which is unfortunately in the hands of the owners a good deal of the light land. There is a very large quantity of it in my district, in fact, I could go seven miles after I leave my parish in one direction where there is not a single tenant farmer.

16,040. What do the owners do with it?—It is worth more for game than it is for anything else.

16,041. (*Viscount Cobham.*) Which is your district—how would you describe your district?—Mine is the centre of Norfolk.

16,042. Near Norwich?—Yes, on some estates they have laid the land down, or rather the land has what we call "tumbled down," to grass in those districts, and it is becoming gradually overrun with heather and little coarse grass, and a few of the best fields round the homesteads are cultivated.

16,043. (*Mr. Chaplin.*) Is there something approaching a fourth of the land in Norfolk which has practically gone out of cultivation?—I should not say that it has all gone out of cultivation, but it has all gone back pretty well to what it was 50 years ago.

Deterioration in farming.

16,044. (*Chairman.*) You have told us that a good deal of the land has gone back into its original condition. In regard to the other land, is it farmed as well as it was?—No, it is not; and that, I think, results very much more from the poverty of the tenants, than it does from any bad land laws that we are supposed to labour under.

16,045. The tenants have not got the capital they had to maintain their farms in a good condition?—They have not.

16,046. When did that begin, should you think?—I should think that began about the year 1879, and it has been going on ever since. Now and then we have had a fair season and a fair crop, and now and then winter grazing has paid pretty well; but taking it from that time, there has been a gradual decadence of Norfolk agriculture.

16,047. The year 1879 was an extremely bad one for the farmers, and caused a great loss of farming capital, did it not?—It was a very disastrous year indeed.

16,048. I think two or three years previously were bad also, were they not?—Yes.

16,049. That was the culminating point, and from that time many of the farmers have had insufficient capital?—They have had no means of recouping their lost capital, and we have no fresh capital brought in either by landlord or by tenant.

Large farmers in Norfolk.

16,050. When farms are vacant, is it possible to find tenants in your district?—Good lands with a certain amount of grass are still readily hired by men of means, and we have about half a dozen farmers of considerable capital and a very large amount of business talent, who have hired vast tracts of land I may say, and farmed them well.

16,051. One would like to know something about these cases. What is their condition?—I asked one man why he took a farm one Michaelmas; he had already six; he said this:—"If there were seven "farmers on these seven farms, they would all want to "make a living, and I think it is a hard thing if I "cannot make one living off the seven." In addition to that, he hoped that something would turn up.

16,052. You said that there were half a dozen cases of men with large capital, who had taken large tracts of land?—When I say large tracts of land, I mean that they farm perhaps from 2,000 to 3,000 acres of land.

16,053. Consisting of a considerable number of farms which have been aggregated together?—Yes, from four to seven or eight farms—that sort of thing; but then they are exceptional men. They are men of undoubted means; they have credit; they have capital; they have business skill; they have untiring energy; and they have the ability of being served by good men as bailiffs: they seem to select the proper men to superintend their farms.

16,054. They generally work their farms, then, by bailiffs?—Yes.

16,055. Do their farms generally lie together, or are they spread about?—They lie in the same district, but they do not actually join or lie together.

16,056. Do these men make it pay?—They have made it pay until the last three years.

16,057. Until the last three years?—Yes; and they now confess that they have lost a good bit of money.

16,058. Taking average years, do you consider that they would be able to make it pay?—I think they have not lost money.

16,059. They have gone on adding to their holdings?—They have gone on adding to their holdings in a good many instances.

16,060. That would seem to indicate that they are making it pay?—They get fully stocked in one way and they do not like, perhaps, to sell the stock. They can get land very much cheaper; every year almost the rents come down, and they hire land at much lower rents than have been known for generations.

16,061. But at the rents which they are giving they can make it pay. Not for the last three years I think you said, but then the last three years, you also said, were exceptionally bad?—They were not exceptionally bad for Norfolk, because we can stand those cold wet years better than some districts of England. Last year was the most disastrous year that Norfolk agriculture has ever known, at least, that I have ever known.

16,062. You would not expect any farmer, not even the best in the country, to make a profit last year, I suppose, in your district?—No; with the exception of that corner of Norfolk which I have mentioned.

16,063. I mean, taking the average of Norfolk and excluding the north-eastern part, I presume no farmer, however good he might have been, could have made it pay last year?—No.

16,064. (*Mr. Chaplin.*) Even assuming that it ceased to pay in the case of these very large farmers I suppose it would not be a very easy matter for them to get out of the business?—It would be a very disastrous thing for them, because if they were to go and sell their stock and their crop at present prices they would be safe to lose money.

16,065. That may be one reason why they continue?—Very likely.

16,066. (*Chairman.*) I understood you to say that until three years ago they were rather adding to their holdings than not?—I think what I said was this: these men become possessed of more stock as they go on, and rather than sell stock at a depreciated price they had hired cheaper land with the idea of getting right one day or other.

16,067. And they are gradually adding to their stock?—Yes.

16,068. Apart from these men who have taken a large number of farms and putting aside the last three exceptionally bad years do you think that the farmers at the reduced rents in average years can make it pay?—Not with the prices which now exist or which have existed during the last three years. I am speaking now of arable farms. We have very little good pasture land in Norfolk, and generally speaking you may say that nine-tenths of the farms in Norfolk are under the plough.

16,069. Do these large farmers farm the land well?—Yes, they farm the land generally speaking very well.

16,070. With an abundance of capital?—They have the command of considerable capital which they employ very judiciously.

Report on America to Duke of Richmond Commission.

16,071. Now what are the remedies which you have to suggest?—I think the prices which now prevail are mainly due to foreign competition. I should like to be allowed just to make one statement with regard to the American report which Mr. Albert Pell and I made in the year 1879 to the Duke of Richmond's Commission. We have been continually told that we said there that America would send no wheat under 40*s.* a quarter. We never pretended to prophecy, of course we did not know. We did not do anything more than record the prices as we found them then in America, that is to say

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with regard to the cost of growing wheat, the freight first of all to the sea board, and thence from New York to Liverpool, the handling in America and the charges at Liverpool. But we also said this which I hope I may be allowed to read. After we had summed this all up we said:—"Though it may be generally said "that if the cost of production exceeds the value of "any article, that article will soon cease to be pro- "duced, it must be remembered that America has a "yearly increasing surplus of bread stuffs and meat "which she must sell at some price. In round "numbers it may be said that nearly three quarters of "that surplus in average years finds its way to the "United Kingdom. Except in seasons of general "scarcity the other countries of the world do not want "and certainly will not receive this surplus except "upon payment of heavy import duties. It may, "therefore, follow that however low prices rule in "England, the major part of the grain and meat "exported from the United States will still find its "way to these shores. And whenever there shall be "an abundant harvest in the old world and in the new, "prices may be depressed to a considerably lower level "than those quoted in this report." Therefore so far as that goes I hope that we shall be absolved from having prophesied about the future of prices.

Competition with America.

16,072. Can you form any opinion at the present moment as to the future?—No I cannot; but I can state this, that I know from what I have heard and from letters that I have received that the American farmers are as badly off as the English farmers, that is those who grow wheat. I know this fact that whereas the wheat area in the United States in the year 1885 was nearly 40,000,000 acres, in 1892 it had been reduced to 34,000,000 acres, notwithstanding that there was an increase of 9,000,000 in the population. I said when I came back from America that if I could tide over the next 25 years I should not fear American competition. I say that now. Fourteen years have gone by and if I should survive for the next 12 years I do not believe that the American competition will be anything like so severe as it is now.

16,073. Then you look rather hopefully as regards the future?—As far as regards America I do. I do not believe that the competition there will be so severe as it has been, but when it is to cease I do not know.

Duty on wheat.

I should not advocate as a remedy any protective duty; but probably I might be allowed just to point out the reckless and foolish way in which a nice little revenue was thrown to the dogs when the shilling duty on foreign corn which Sir Robert Peel, I think, characterised as a registration fee or a market toll, was abolished. In the year 1893 that revenue would have been 1,163,000*l.* I would call the attention of the Commission to the enormous increase that there is in the importation of flour as compared with wheat. I think I may say this, that whereas in 1873 there were 10,000,000 quarters of wheat imported in the year 1893 there were 15,000,000 quarters which is something like 50 per cent. more. In the year 1873 the quantity of flour was 1,800,000 quarters and in 1893 very nearly 6,000,000 quarters, and that is an increase of 300 per cent. This has a double effect upon us. It has entirely ruined the small millers in our district. I suppose we had certainly one windmill on an average in every parish, but they are almost all of them gone now. Small water mills are shut up, and consequently the milling trade is very much depreciated; and we have very few big millers that seem to stand. At the same time it has deprived us of the pollard and the bran which are so essential to our agriculture, and which we should have if the foreigners would send the wheat to us instead of the flour. It is a most remarkable fact that the price of bran at the present time is exactly the same as the price of wheat, and that it is almost as dear as flour, showing that there is a great loss to the agricultural interest in that way.

Importation of flour

16,074. (*Mr. Chaplin.*) If we get flour cheaper we have to pay so much more for the bran?—Yes, the public get the benefit of the flour and the poor unfortunate farmer has to pay now for his bran. I think I said in the letter which I addressed to you last year, when you kindly asked me to atttend, that I had no remedies to suggest for the alleviation of this great disaster. I would make one suggestion with regard to the land tax, that is that I think it certainly ought to be given over to the counties in aid of the county rate. I would also like that a considerable amount of the taxes which now fall upon land and houses should be augmented either by further subventions from the Imperial Exchequer or

Taxation.

that there should be a property tax assessment instead of the present assessment.

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16,075. (*Chairman.*) When you spoke of this difficulty about bran and wheat and flour, you did not imply by that did you that you desired a protective duty upon wheat, though you look regretfully upon the abandonment of the 1*s.* a quarter?—Of course it would be considered to be protection to the millers if you were to suggest a small duty upon flour, but I should hail it with great satisfaction myself, and I am sure of this that it would not in any way increase the price of the poor man's loaf, not by the homeopathic part of a farthing.

Duty on wheat

16,076. You would not consider 1*s.* a quarter to be protection?—No, I thought it was a very fair source of revenue.

The Agricultural Holdings Act.

16,077. Then with regard to the Agricultural Holdings Act, you have, I think, for many years given great attention to that subject?—I have. In the first place I do not find much fault with the Agricultural Holdings Act. Sir Gabriel Goldney said that in his part of the world when a tenant took a farm he was thinking of leaving it. If he is paying 45*s.* an acre for his land I dare say he is; but how he is going out is the last thing I think that the farmer is thinking about. When he takes a farm he rather expects to remain there during his life. With regard to the Agricultural Holdings Act, I think it is an exceedingly fair Act if it were properly administered. I find fault more with the administration of it than I do with the Act itself. With your permission I will say what the Norfolk Chamber of Agriculture has suggested with regard to its amendment.

Claims and counter-claims.

16,078. How is it badly administered? What do you mean by that?—I mean to say this, that first of all there is no limit to the counter claims of the landlord. The next thing is that as interpreted with us a tenant under this Act must claim specifically under the Act and nothing else, and if he has any advantage in his lease or agreement or custom, he is not allowed to bring that forward to augment his claims, whereas the landlord can claim his lease or the agreement or the custom of the country, or the Act against the tenant. We say that first of all the landlord's dilapidations should be scheduled so that you may know what he can claim under, and then we say further that his counter-claims (there is no limit to them so far as regards time), should be made the same day as the tenant puts in his claim. The tenant is bound to give two months notice before the expiration of his tenancy, whilst the landlord is allowed an indefinite time to claim until such time as the award takes place. We say that the landlord ought to make his claim on the same day, which should be 28 days before the termination of the tenancy; and that the only other addition that the landlord should be allowed to have is this: that he should be allowed as far as regards the buildings to have 14 days after the expiration of the tenancy to bring any counter claim against the tenant for any damage that he may cause to the buildings in the removal of his fixtures, or his furniture, or any damage that may have accrued by the neglect of the tenant up to that time.

16,079. I presume what you mean rather is this, that the method of the Act and the restriction put upon the claims of the tenants rather invite the landlords to make counter-claims?—When a man claims for his hay and his turnips and those sort of things, as a matter of course, everybody knows that he is justified in making the claim, and he is paid for it; but if you make a claim under this Agricultural Holdings Act, it is a sort of declaration of war against the landlord. Instead of receiving it as they would receive the other items of his claim, instead of its being accepted as a matter of course, land agents generally speaking hunt up every possible dilapidation and default on the part of the tenant, and bring it against him. I have seen one claim on a small farm of no less than 96 different dilapidations brought against the tenant, and some of them as low as 1*s.* 6*d.* With regard to the time that these claims are allowed on the part of the landlord, I might, perhaps, be allowed to instance my own case. I made a claim for compensation for unexhausted improvements on the 11th day of August. I think it was on the 14th of August that I discovered that I had not embraced one small item, and therefore I tried to amend my claim. The lawyer of the landlord said, I think, that eight weeks was not two months, and so I was debarred from making that claim. The

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landlord made a claim on the 28th day of December, and it was allowed by the arbitrator. I do not say that the claim was allowed, but the landlord was allowed to put it in. It was not until the 11th day of March that I received a cheque for the award. I only asked for 50*l.*, and by all sorts of dilapidations, which I did not know existed, my claim was reduced to 16*l.* I had turned that farm of 170 acres "from a wilderness into a cultivated garden," to use an expression which was made at our Chamber of Agriculture. 6*l.* out of the 16*l.* was the cost of the arbitration to me, and the 10*l.* I gave to the Royal Agricultural Benevolent Society. That is my experience.

16,080. (*Mr. Little.*) What time was it you went out, the 11th of October?—Yes.

16,081. (*Chairman.*) I presume you will say that if there was a limit of time to the tenant making his claim there should be the same limit to the landlord?—Yes.

16,082. You could not insist upon both claims being made on the same day, but you would put the same limit to both?—I would have both made on the same day. If the landlord cannot tell what the tenant has been doing to deteriorate his property, one month before the expiration of his tenancy, then I think he has not looked after his property carefully and well.

16,083. What did you mean by saying that the landlord's claim should be scheduled?—In the Bill that the late Mr. James Howard and I brought into Parliament several years ago we had a schedule of dilapidations, and I think that that ought to have been inserted in this Act.

16,084. That there ought to be some schedule under the Act defining what the landlord's claims may be?—Yes.

16,085. And giving some measure for the damages under them?—I do not think that; but I think we should know as tenants what the landlord can claim against us.

Arbitration.

16,086. Do you think that the method of the Act referring to arbitration and each side choosing its own arbitrator and the two appointing an umpire, is an expensive one?—What I think we have agreed upon at the Chamber of Agriculture is this: that as far as regards the umpires the list should be prepared by the county council and the Board of Agriculture should sanction.

16,087. In any case of dispute throughout the country?—No, I do not mean that; but if the Board of Agriculture thought there were some men put on the list who were not entitled to public confidence, they should be able to strike them off, that is all.

16,088. At present the umpire can only be appointed with the consent of both parties?—Just so.

16,089. Therefore one must presume that he has the confidence of both parties?—Quite so.

Suggested amendments to the Act.

16,090. What change would you recommend in that respect?—We only say this: we wish the list of the umpires to be prepared by the county council and to be approved by the Board of Agriculture. As to the amendments of the Agricultural Holdings Act we think there should be a record of the condition of the holding upon entry, either upon the agreement or upon the valuation, whichever you think best; but that there should be a record of the condition of the holding upon entry.

16,091. (*Mr. Chaplin.*) When you say "we" whom does that represent?—It represents the Farmers' Club and the Norfolk Chamber of Agriculture, and a committee which has been appointed by the Central Chamber of Agriculture to consider the amendments necessary to the Act.

16,092. The committee appointed by the Central Chamber of Agriculture has not yet agreed to its Report, has it?—It has not agreed to it; but we have agreed to those recommendations so far.

16,093. But there is no report agreed to by the committee in the sense that you can state that that represents their final opinions; am I not right in saying that?—I think I may say that what I am going to express will be the definite recommendations of this committee.

16,094. "Will be!" That I think is quite possible; but still it has not yet been definitely settled?—No.

16,095. And cannot be quoted as the final opinion of that committee at present?—No, only so far as the unanimous vote of the committee can make it.

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16,096. But it has still finally to be settled?—It has still finally to be settled.

16,097. (*Chairman.*) Then I think we had better take them as your own recommendations?—You can take them as the recommendations of the Norfolk Chamber of Agriculture, certainly.

16,098. What are the recommendations?—I think I have said that we recommend a record of the condition of the holding upon entry; then that continuous high farming with good and clean cultivation should be scheduled for compensation, which should be put into the third schedule; then, that the landlord's dilapidations, as I have said, should be scheduled, and that his counter-claim should be made on the same day as the tenant's, with a right to amend for any damage to buildings within 14 days after the expiration of the tenancy.

Compensation for high farming.

16,099. When you say that continuous high farming should be scheduled, do you propose that there should be any limit put to compensation in that respect?—No, there is no limit to be put to it; it is to be scheduled just the same as the manures and the feeding stuffs.

16,100. You would not propose, then, that a certain number of years' rent should be conceded. One does not quite see what the limit of compensation should be in such a case?—We have had a case which is known to the gentlemen who come from the north, in which a certain farmer, having laid down land to grass, and having, for, I fancy, 15 or 16 years, spent a large quantity of cake upon that land, was awarded by an umpire for that continuous high farming, which we in England are debarred from claiming.

16,101. I suppose in such a case the tenant on leaving would be entitled to compensation for laying down the land to grass?—No, unless he had the permission of the landlord.

16,102. I mean with the permission of his landlord?—With the permission of his landlord, he would.

16,103. And he would also get compensation under the schedule for cake?—For the last two years, and nothing for the previous 15 years.

16,104. (*Mr. Little.*) That is not the provision of the Act, is it; it is the practice?—It is not the provision of the Act, but it was allowed in that one instance, and we think it should form part of the amendment to the Act.

16,105. (*Mr. Chaplin.*) How many years is he to be compensated for the cake?—That must be left to the umpire. If it is on arable land, he would not ask for it, I should say, beyond two years.

Compensation for home-grown corn.

16,106. Is not this compensation for continuous high farming and clean cultivation to apply to arable land?—Yes, the clean cultivation is. Then compensation should be given for home-grown corn, that is to say, corn that is grown on the holding: the opinion in favour of that has been unanimous, I think, with the exception of whether that should apply to corn that is consumed by cart horses. I am of opinion that it should not extend to the corn that is consumed by cart horses, for they are not always on the farm, and they do not deposit a great portion of the manure upon the land at all. Where a man grazes colts I think it is different; if he keeps a yard of colts and grazes them with corn instead of keeping a yard of bullocks, I think that should be allowed.

16,107. (*Viscount Cobham.*) How is a tenant to prove the amount of wheat that he has consumed on his holding?—I think it is very possible to do that. I had no difficulty in proving it when I left these farms I am talking about. I took them off the home farm and put them on to the other. I think it would be just as easy for a tenant to prove from his books and from his men what corn was consumed upon the holding. Then the other suggestion is the two years or older grass seeds to be paid for, if a good plant, and the land clean and in good heart. Generally speaking, on the light lands of Norfolk, now, instead of keeping to the four-course, they lay down some of the worst lands for two or more years' seeds, and when the tenant leaves, we think that he should be compensated for that unexhausted fertility which the seeds would give even if they were to be ploughed up for the purpose of corn. Then there is a proposal to take some items of the first schedule and put them into schedule two, and then add

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to the third schedule "any other improvement increasing the value of the holding as an agricultural holding, for which the tenant is not otherwise compensated." If you pass all those resolutions as an amendment of the Act, or as a new Act, I do not think that the landlord will be in any way damaged, and I think you will have more chance of getting the tenant to give up his farm in a clean and fertile condition; because I do not hesitate to say now that it is very much better for any man in the county of Norfolk to give up his farm foul and poor, than it is to give it up clean and fertile.

16,108. How would you provide for a case like that you mentioned of your own where you have taken a farm in bad condition at a low rent for a year or so, to be increased afterwards when you have got it into good condition?—We have said that any deduction from the rent in consequence of the foul condition of the farm is to be taken into consideration.

Restricted cultivation.

16,109. (*Chairman.*) Then with regard to restrictions on cultivation, do you consider that any change may be made in that respect?—Generally speaking now-a-days the restrictions on cultivation and the sale of produce are reduced to a minimum. I think it is rather a remarkable instance that Lord Leicester's leases, which are for 20 years, allow an unconditional cultivation and sale of produce during the first 16 years of the lease, and that they are to be brought into the four-course during the last four years of the lease, and at that period, that is at the end of 16 years, it is supposed that the farmer and his landlord will come to terms as to whether there should be an extension of the lease or not. Notwithstanding that very generous permission on the part of Lord Leicester that his tenants should farm exactly as they like during those first 16 years, I think I may say that in the great majority of instances still they adhere to the old four-course system of cropping. It is a light land district principally, and that course of cropping seems to be best adapted to it. Then we have some estates, some of them near Norwich, and advantageously situated with regard to railroads, where there are the most stringent regulations against the sale of produce and of cross cropping; the tenants take not the slightest notice of those restrictions; they sell off as a rule now-a-days just what they can, and it is only in the case when a man leaves his farm that these restrictions are brought into play, and then he has to pay for them. I might say that these old restrictions have been very much got rid of since this Agricultural Holdings Act has been in operation, and that a good many of the agreements contain clauses giving compensation to tenants better even than the Act itself. The old leases which the family lawyer used to impose upon the tenants have very much died out, and, as I have said just now, where it is kept up it is not as a rule enforced.

16,110. Then you think that a great improvement has already taken place in this respect?—I think so.

16,111. And that it is hardly necessary to legislate upon the subject; is that your opinion?—I do not believe it is a subject for legislation at all, I cannot think that, any more than rents and land courts, and those things. We do not want that; we only want this, that when a tenant leaves his holding he should be substantially compensated for the improvements that he leaves behind him.

Judicial rents.

16,112. Is there any movement in your district among the farmers in favour of judicial rents or arbitration on rents?—One man in a thousand, perhaps, might be foolish enough to argue it, but I have never heard any farmer ask for it.

16,113. I only want to know?—No, there is not really; we do not think of such a thing as that in the County of Norfolk that I know of, I have never heard it advocated.

16,114. Has it been discussed by your Chamber of Agriculture there?—Yes, we always have one or two fiery spirits who go in for all sorts of reforms and revolutions; we let them talk and we do not take any notice of what they say.

16,115. Has it been put to the vote there?—Yes. I do not say that has, but similar sort of ideas have been to put the vote and they have been in a miserable minority.

16,116. (*Mr. Lambert.*) What would you term "similar ideas"?—That is a large subject rather, is it not?—I mean similar ideas with regard to the land legislation that has been enforced in Ireland.

The law of distress.

16,117. (*Chairman.*) Are there any other points you desire to bring under the notice of the Commission?—I do not know whether I should be asked my opinion about the law of distraint.

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16,118. Yes, we should be glad to hear it?—It is a subject on which I really have no very definite opinion. As a large farmer with a fair amount of capital, I think it is rather prejudicial to my interest, but regarding farmers generally, those that are poor, and those that are small, and the man who is taking land with a little capital, especially these new small holdings, I think that it would be prejudicial and that it should not be abolished altogether. The Committee, I think, of the Central Chamber have said that they would prefer six months instead of 12, but I think 12 is fair. It only gives the landlord a right to distrain for one year's rent, and I am not aware, taking it all in all, that I should recommend any alteration in the law. Of course if I was a merchant or a dealer or anything of that sort, I might be of a different opinion, but as far as regards the farmer I should continue the law of distress as it is.

The marking of foreign meat.

16,119. Is there anything else you wish to say?—With regard to foreign meat, some people would have it all marked. I should not go to that extent, but I do say that the vendor should be licensed to sell the meat, that he should have it over his shop door and on his carts, and state it also upon his bill-heads. I think that would be quite sufficient, and I think it is only fair to the British farmer that that should be done. I am fearful that not much good will come of the Feeding Stuffs and Fertilizers Act which was passed last year. We in the county of Norfolk were going to have an analyst with a large laboratory and all that sort of thing at the command of the county; we were going to spend 750*l.* a year upon establishing a chemical station, but we have come down to appointing an analyst at 100*l.*, and although the Act has now been in operation, I suppose, for four months, we were told that we should have samples come in by thousands to be analysed, we have had four samples only, two of which I have contributed myself.

Feeding Stuffs and Fertilizers Act.

16,120. (*Mr. Lambert.*) What are the fees of the analyst?—The fees of the analyst are half-a-crown, paid by the farmer, but they are supposed to represent 10*s.*, 7*s.* 6*d.* being paid by the county. I think one of the great drawbacks is the instructions which the Board of Agriculture have issued with regard to the taking of samples. They are very complicated, and a farmer, whatever is his other virtue, is not a very exact man. First of all, I think within three days you have to give notice to the seller; then you have to wait three days for his coming to take a sample; then, if he does not come; we will say you have five tons of manure, you have to take promiscuously a sufficient quantity, we will say 10 cwt. of that and mix it altogether from the different bags You then have to take three different samples in the presence of a witness, he has to witness the mixing as a matter of course; they have to be sealed in his presence and signed in his presence, one of those samples is to be kept, the other is to be sent to the vendor, the third is to be sent to the analyst, and by the time you have done this you have taken so much trouble and spent so much time that the majority of farmers, I do not think, will go through that ordeal. Then there is another reason why we should not. We have had in all our Chambers of Agriculture almost invariably an exceedingly good chemist attached to those Chambers of Agriculture and, of course, we have had the benefit of their analyses at a very cheap cost. The fees were half-a-crown for the purity of any feeding stuff, and 5*s* for the quality of any manure. If a farmer could not afford to pay that he would not take the trouble to go through all this formality for these samples.

16,121. (*Chairman.*) I suppose the object in this case under this Act is to get evidence against the vendor?—It is.

16,122. Therefore it is necessary for that purpose, to be very certain that the article is that which was sold and a fair sample of it?—Yes. I do not doubt that it is quite necessary; but there is just this difference, that the moment you give this notice to the vendor who has sent you this manure, he regards it pretty much in the same light as the land agent does when he receives a notice for the tenant's claim under the Agricultural Holdings Act.

16,123. Quite so, but is not that almost a necessary incident of an attempt to secure evidence against the vendor?—Yes, I think it is, and it is another instance of the impossibility of making people put an Act of Parliament in force after you have passed it.

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16,124. You would rather trust to the ordinary security of a man consulting an analyst without the necessary consequence of taking proceedings against the vendor?—I should have done so; but now the Act is passed I think we ought to try all we can to carry it out.

16,125. But how can it be carried out with due security that the sample is a fair sample of the product sold by the vendor so as not to be be unfair as against the vendor, that is the difficulty?—That is the difficulty no doubt.

16,126. Have you any suggestions to make as to how those difficulties may be overcome without unfairness to the vendor? —No.

16,127. You raise a substantial difficulty. What the Act aims at is to secure evidence upon which you can convict the vendor. The moment you come to the question of evidence in a criminal proceeding you must be very careful that everything is done in justice to the vendor and that necessitates all these elaborate precautions that this and that is to be done in the presence of a witness and this and that sample is to be a fair sample of the whole bulk. The question is how that process can be got rid of and the process simplified with due justice to the vendor?—I do not think you can: therefore I do not believe the Act is going to do us very much good.

16,128. Not going to do what was expected?—No.

16,129. Then I gather that you think it is a greater security to the purchaser to adopt the old process of sampling and sending it to an analyst and getting an opinion without the legal consequences which follow by this Act?—Yes. Of course a man could take legal proceedings before the Act and farmers have often done that and got compensation.

16,130. But then of course that involves a trial and legal expenses, and the object of this Act was to avoid all that by getting an official determination of the fact as against the vendor but necessarily accompanied by security in favour of the vendor?—Yes, but I do not remember any case when it was proved to demonstration that the manures or feeding stuffs have been adulterated but what either the manufacturer or the vendor compensated the farmer without going to a Court of Law.

The Weigh-bridges Act.

16,131. (*Viscount Cobham.*) There are two points that I should like to hear your opinion upon before you finish. One is with regard to the Weigh-bridges Act?—That is a most excellent Act, and that is another illustration of what you might try to do for the farmer, but he will not avail himself of it. I think that at Norwich there have been 20,000 cattle exhibited, and I do not think above 50 of them were weighed.

16,132. (*Mr. Chaplin.*) When you say "exhibited," do you mean sold?—That have come into the market to be sold.

16,133-4. (*Viscount Cobham.*) The farmers do not care about it?—They do not care about it. I think they dislike anything that first of all impugns their judgment, and, in the next place, that causes them any trouble.

Mr. C. Sewell Read subsequently furnished the following figures:—

NORWICH CATTLE MARKET.

	No. of Cattle exhibited.	No. of Cattle weighed.
1891	98,522	221
1892	115,869	166
1893	115,071	436

KING'S LYNN CATTLE MARKET.

	No. of Cattle exhibited.	No. of Cattle weighed.
1891	29,244	74
1892	32,120	67
1893	30,180	43

16,135. (*Mr. Chaplin.*) Is it not very much owing to the attitude of the butchers that very often they refuse to buy, or lead people to think they would refuse to buy cattle from those who do insist upon having them weighed?—I have heard that. I always have my cattle weighed; they go to the auction and the weight is stated, and the butchers and the dealers take little or no notice of what is stated. They go by their own judgment, but it is a satisfaction to me to have them weighed, because I do not pretend to know. The majority of farmers fancy they can judge a bullock within two stone, and they may be 10 stone out.

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Ground game.

16,136. (*Viscount Cobham.*) As to the Ground Game Act, have you anything to say?—The Ground Game Act has been very useful in our part of the world; we have got rid of the over preservation of ground game to a certain extent. The only grievance that I think now-a-days exists is when the shooting is let, and that is very generally the custom now in Norfolk for impecunious landlords to let the whole of their estate to some shooting tenant. The farmers do not like these game tenants. For myself, I am very much obliged to them, they spend a lot of money with us. I do not say that they spend it well, but at the same time we are glad of anybody who spends money. I do not like them when they buy partridges' eggs which they must know are stolen; but otherwise I do not object to these gentlemen coming and having their sport, if they call it sport, to raise up thousands of pheasants and shoot them down in one day. But what the farmers complain of is this, that they think they ought to be allowed when damage is done by the game tenant, to have that damage paid by their landlord rather than by the game tenant. I do not know why that cannot be done now, but that is the feeling that when there is damage done by game, and there is a good deal of damage done even by pheasants when they are kept in the very large quantities that they are now, artificially hatched and reared, and the farmers think that they ought to have some compensation. Then, in the case of hares and rabbits, I heard Sir Gabriel Goldney say that he had to erect wire fences against a neighbour. Well, that is very often the case that you have a neighbour who stocks a wood with a lot of hares and rabbits, and it is impossible for the farmer to catch them or to destroy them, you are not allowed to trap above ground, and you cannot protect yourself against the ravages of hares and rabbits from the neighbouring wood.

16,137. Do you think the cost of the wire should be defrayed by the shooting tenant?—I think he ought to be bound to keep his ground game within the wood.

16,138. You cannot get rid of the shooting tenants in Norfolk, I presume?—No, I do not think we ought to get rid of them.

16,139. Is there not a good deal of land in Norfolk more valuable from its sporting qualities than from its agricultural qualities?—I think there is a good deal, and that is extending very much. Shooting rents are going up and agricultural rents are going down.

The Agricultural Holdings Act.

16,140. I do not think you fully answered the Chairman's question as to the administration of the Agricultural Holdings Act. I understood you to say that you thought it a good Act if it had been properly administered, but the fault you found in your subsequent answer, I think, was mostly with the Act itself?—I do not think I am wrong in stating that in the county of Norfolk not one per cent. of the tenancies that changed hands this last Michaelmas came under the operation of that Act. It was considered when the Act was passed that almost every tenancy that changed hands would come under the operation of the Act. I am quite ready to admit this: that farmers are so poor that they leave the land now in a much worse state of cultivation than they did years ago, but at the same time I am quite convinced of this that the way in which counterclaims from landlords have been admitted has so frightened the tenants that they, you might say, bounce the tenants out of the claims altogether. No sooner does a tenant make a claim than the counterclaim of the landlord is put in considerably above the amount claimed.

16,141. That is an objection to the Act, and can only be removed by a change of the Act, or do you say that the valuers under the Act have not acted fairly?—I say the valuers under the Act do not like the Act, and whatever you may do as far as the county of Norfolk is concerned I do not believe that the Act will ever come into general operation.

16,142. Has not the Norfolk custom superseded the Act to a great extent?—We have no custom as far as

regards tenant-right in Norfolk, no custom at all; and that is the reason why we want it most and we get it least.

16,143. So that every farm is under the Agricultural Holdings Act as regards tenant-right?—It would come under the Agricultural Holdings Act; but please to remember this fact, that I have also stated that there are a great number of agreements which are under the Act which are a great deal better than the Act itself, or at least they are what we can understand better.

Compensation for high farming.

16,144. When you state that you think high and clean farming should be scheduled and compensated for, do you mean that the simple maintenance of a farm that was entered upon in high condition, should be the subject of compensation?—No, that is the very reason that we say there ought to be a record at the commencement of the tenancy of the state and condition of the farm, and if it was proved when the farm was taken that it was clean and in high condition, of course there would be no sort of compensation when the tenant left.

16,145. It must be an improvement of the state?—It must be an improvement of the state. If it was said that the farm was let at a reduced rent in consequence of the foul condition and impoverished condition in which it was taken, then if the man had improved it still there would be the set-off of the reduced rent.

16,146. That would supersede all such arrangements as you have made with regard to your 320 acres which you have had at a reduced rent for the first year and an increased amount afterwards?—Quite so. That extra 50*l.* which I ought to have paid in the first year I should be supposed to have spent in cleaning the land, and so I should not get anything.

16,147. I do not quite see the grievance in your own case which you quoted to us. You only asked for 50*l.*?—No.

16,148. Although you turned that into a garden which was previously a wilderness?—You could not under the Act claim more. I had had it 16 years, and I had spent most of that money during the first four years of the tenancy.

16,149. Then you would amend the Act so as to have brought in the whole of your improvements for 15 or 16 years?—I think in view of the fact that I had drained and cleared that land during the first four years of the tenancy, and that the drains were in proper order, and that the cultivation was perfect, I ought to have got something for it.

16,150 The reduction of the rent being allowed as a set-off, I suppose?—There was no reduction in that case; the land was hired in good times and given up in bad.

16,151. Do you make any complaint as to the counter-claim in that case; it was not large?—I do very much. I say the counter-claims were vexatious and frivolous; some of them were allowed, but the majority of them were struck out.

16,152. You think that the valuer was mistaken in awarding so much under the counter-claim?—I think if the valuer had to go over it now he would not allow some of those counter-claims at all.

Expenses of farming: (*a.*) Cost of labour.

16,153. In your evidence you told us that the expenses of farming had very largely increased; I do not think you entered into detail about that?—The expense of labour, I think I said.

16,154. Since when?—We will say within the last 25 years.

16,155. Have they decreased the last few years?—I have not been able to decrease the quantity of labour although I have all the modern machinery that a farmer has. I have all that at my disposal, yet I have to keep more horses in order to work this machinery, and I still pay a considerable sum more for manual labour than my predecessor did.

16,156. Do you keep as many labourers?—Yes.

16,157. But there has been a fall of 15 per cent. recently in the wages?—There has been a fall of 10 per cent. in the last three or four years.

16,158. But they are still higher than they were 10 years ago are they not?—No, but you have to employ more men to do the same work.

16,159. Is that owing to the quality of the labour having deteriorated?—The young men now-a-days, take no sort of interest whatever in the work of the farm; the young men are the most unskilled race of labourers that you can imagine. If you wanted a ploughman, or if you wanted a man to drill, or to hedge, or to ditch or to drain when the old men die off that we have now, I do not know where we should go to find them.

16,160. At the same time you have lost the women's labour, and, to a great extent, the boys' labour?—Yes, and we have got rid of almost all the bright and intelligent, and the strongest of our labourers, too; they go away. They are very fond of coming here to the police force in London, and they like to go on the railroads, and like to come here and drive the tramcars, and cartage generally about large cities.

16,161. Have you compared your labour bill of 20 years ago with your labour bill of 1893?—Yes, they are very much about the same.

(*b.*) Cost of artificial food and manures.

16,162. In what other direction has there been an increase of expense?—We use a great deal more artificial food, we keep more stock.

16,163–4. The food itself is cheaper than it was?—Corn is, certainly, but I do not think that oil cake, which is the chief artificial food that we use in Norfolk, is much cheaper than it was; it is now from about 8*l.* to 9*l.* a ton, and probably it was 9*l.* or 10*l.* a ton.

16,165. Has not artificial manure fallen considerably in price?—Some qualities of phosphates, for instance, are very cheap, much cheaper, and they are better made than they were. Take nitrate of soda, which is a nitrogenous manure that we use very largely, that was cheaper, but now, by a corner or a ring, or something of that sort, restricting the output, the price is raised, I think, 2*l.* per ton within the last six months.

(*c.*) Rates.

16,166. Have your rates been about stationary?—I should say that our rates have rather fallen; but they are quite as much per acre as they were in consequence of the diminution of the assessments. Some of them, of course, have gone up, the highway rate is considerably increased, and the poor rate is sensibly diminished, I think, from 10 or 15 years ago.

(*d.*) Rent.

16,167. And rents have fallen from 30 to 75 per cent. in Norfolk?—I said from 15 per cent., please. I should say 10 per cent. most probably to 75 per cent.

16,168. Say an average of 33 per cent?—Yes, 33 per cent.

16,169. I still fail to see where the great increase in expenditure in farming comes in. It seems from your answers to preceding questions that the expenditure must have diminished rather than increased?—It depends upon how you farm. If you farm after the manner of Sir Gabriel Goldney and keep to only the produce on the farm and do not go outside to spend your money, why, I daresay the expenses are decreased.

16,170. I am assuming that you are farming in much the same way as before?—We do not farm in the same way as before. We find that our only hope of getting on is to keep more stock and better stock. We have increased the amount of stock and diminished the area of corn.

Sizes of farms.

16,171. What are the sizes of farms in Norfolk—what limits do they run between?—On the large light land farms you have farms of 1,000 and 1,500 acres. In the good lands of Norfolk a farm of from 250 to 400 acres would be considered to be a fair sized farm, and there are farms that are from 50 to 100 acres. I would say, generally speaking, that a man who has kept the most stock, and he is invariably the larger farmer, has stood his ground better than the majority of small farmers who do not make beef, or mutton, or wool, but if the small farmer is a dairy farmer, if he can sell his milk, either delivering it on the railroad or to the large towns, he is the man who has stood the depression better. But then dairying is such a very small portion of our industry and never will be anything else. The only thing we can do, generally speaking, with dairying is to make butter. Now, at the present moment, although we have hardly a blade of grass in the county of Norfolk, butter is down to 11*d.* a pound. I consider that if you take the average price of butter at 1*s.* you do not get above 4*d.* per gallon for the milk. Then there is the skimmed milk afterwards, which is worth about 1*d.* a gallon

Price of butter.

16,172. It is a poor quality of butter, is it not, to fetch 11*d.*?—I think I have as good a quality of butter which goes into Norwich market as anybody and that is all I can get. With regard to the small farmers, and farmers generally in the county of Norfolk, you never

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can be positive of making the same quality of butter every week. There are some conditions which you cannot have except in a factory. If you have a factory, by scientific arrangements you can generally secure the same qualities of butter, but with small dairies you cannot secure that. In the month of May I am quite positive of this, we shall have butter down to 9*d.* Danish butter comes in, and it is now selling at 1*s.*; it is better than ours because it is uniform—you see it ticketed up everywhere, Danish butter 1*s.* a pound.

16,173. (*Mr Lambert.*) Might we know the price it costs to get the butter from the farm to the consumer?—That depends on where the consumer lives and where the farmer lives.

16,174. Of course, I refer to the average price?—I have nothing to do only to put my butter upon a carrier's cart, and he takes it to Norwich and delivers it to the shop.

Income tax.

16,175. (*Viscount Cobham.*) As to the account which the farmer has to produce to the Income Tax Commissioners when he applies for a reduction of income tax; is it a regular profit and loss account, or is it sufficient to produce his bankers' book?—He has to produce the cash book and a balance sheet for the year.

16,176. Very few farmers will do that?—Very few farmers, I am sorry to say, do that.

Cost of labour.

16,177 (*Sir Nigel Kingscote.*) You gave us the amount you paid for wages in four different years, three of which were over 800*l.*, the other being 797*l.*, that is upon a farm of 400 acres?—Yes.

16,178. And may I say all arable?—Nine-tenths of it is arable.

16,179. Is that not a very heavy charge for labour? Do you think farms in your neighbourhood would all run to that rate for labour?—No, I should say that generally speaking it would be 30*s.*

16,180. 35*s.*?—Yes, I think it would; certainly, 30*s.*

16,181. On arable land?—Yes, and if you put it down to grass, which we are, I suppose, compelled to do now, it would be 5*s.* to 7*s.* 6*d.* possibly.

16,182. It would go down to that?—Yes.

16,183. How many arable acres do you put to a labourer? Have you made that calculation?—No. I have not. I am a very profuse employer of labour I believe. I keep the farm as neat as I can.

Norfolk custom.

16,184. In your agreements, or in your non-agreements in Norfolk generally, are there any restrictions as to cropping and are they carried out, or is everybody allowed to do pretty well as he likes?—On the estate on which I farm we have no agreement, not a scrap of writing.

16,185. Not even when you leave?—No.

16,186. No course prescribed?—No.

16,187. I suppose you are under a Norfolk custom?—You must go out under the custom no doubt.

16,188. That has not been altered?—There is nothing to alter if you have nothing. There has never been on that estate that I know of a single written agreement.

Labourers' cottages.

16,189. I wanted to ask you as regards the labourer, does the landlord generally find cottages for the labourers and keep them in his own hands or does he give them to the farmer?—If the cottage is really close to the farmer's house, if it is part of his premises, if I may say so, generally speaking it is let with the farm. But the cottages that are on the outside of the farms or in the villages are not let as a rule, or at least hardly ever, with the farms. I might say with regard to the cottages that there has been a great improvement in them in the last 30 years, especially on the large estates. You are aware that years ago the law of settlement was against cottages being built upon estates, and the open parishes were overdone with cottages, and in what they call the close parishes there were very few, but now I am happy to say they are very much improved although there are still some districts where they are exceptionally bad and generally speaking those are in the hands of small men who make a living out of cottages property.

16,190. Generally do the farmers insist upon having so many cottages with their farms?—No, not with the farms but they expect if there are cottages adjoining their farms that they should have the selection of the tenants.

16,191. You said you thought that it would be a very great advantage to the farmer if he would use the weigh-bridge more for fat stock?—I think so.

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16,192. What is your opinion as regards store stock?—I like to buy store stock with the weigh-bridge. Of course it is not so good a test as it is for a fat bullock, because there must be such a great difference between the qualities of the store stock.

The Weigh-bridges Act.

16,193. You think it would be a great advantage if it was used more for fat and store stock than it is?—I think so; and I have used it for store stock myself.

16,194. Did you say that in a district near you you could go for a long distance on land out of cultivation?—No.

16,195. Or that was in the hands of the landlord?—Yes, that was it.

16,196. Do you think it would pay for planting that land?—I think they might grow larch poles with advantage on a large quantity of the land.

Tree planting.

16,197. Or Scotch fir?—Yes, Scotch fir too, but Scotch fir is not so useful a wood as larch with us.

16,198. There is some difficulty I conclude about the game?—They could keep ground game out of it by just wiring it in, and I should think it might answer to plant a good portion of it.

16,199. You do not know any instance about you where planting has taken place on any large scale, do you?—Not on any large scale; but for a good portion of it—a good portion of the bad land has been planted in my time.

16,200. Do you think it will answer?—I think it answers in this way: if you have got a timber that is suitable for the repairs of your holding, but I do not think it answers very much to sell. Hop poles are no use to us, we have no demand for that sort of wood.

Price of butter.

16,201. (*Mr. Whitehead.*) I cannot understand the low price of butter that you speak of in Norfolk; is butter-making largely adopted in Norfolk?—No, it is not largely adopted in Norfolk.

16,202. Is that the reason that it is so bad, because it is not practised generally?—If you can get Danish butter at 1*s.* per lb., you will understand perfectly well that you cannot expect a second class butter, if I may call it so, to be worth more than 11*d.*

16,203. Then you admit that it is second class butter?—It is not a second-class butter. If you will allow me to explain that it might be the very best, it might be absolutely better than the Danish butter, but then, perhaps, next week in consequence of some atmospheric disturbance, or a change of food in the cow, or something of that sort, the butter would not be so good; there is not that regularity in the English butter that you can have in these imported butters, which all come from creameries or manufactories.

16,204. But that does not apply to all English-made butter, because from one's experience you get butter all the year round practically the same from English dairies?—If a man is a large dairy farmer of course he has the appliances for making a more even quality of butter, and of course he has the command of a larger number of cows. The smaller number of cows that you have the worse butter you are almost sure to make.

16,205. Does the Norfolk County Council encourage butter making—does it teach butter making?—We have exhibitions, lectures, scholarships, and all those sort of things.

16,206. Not thoroughly, probably, as the butter seems to be so indifferent?—I do not believe that the butter is worse than some other counties. If you have imported butter which you know to be thoroughly good, and you know it to be uniform, selling at 1*s.* a pound, how can you possibly expect the best butter, except it is some that is specially made for some special purpose, to be any more than 1*s.* a pound.

16,207. At the present time one is paying 1*s.* 4*d.* and 1*s.* 6*d.* for English-made butter?—That, most probably, is some fancy dairy butter; Alderney cows perhaps.

16,208. No; for ordinary English butter one has to pay 1*s.* 4*d.* to 1*s.* 6*d.* at the present time in most of the districts that I am acquainted with. Your figure seems to be an exceedingly low price; there must be some fault in the making?—I have seen Danish butter ticketed up here at 1*s.*; I saw it this morning. If you gentlemen like to go and give 1*s.* 6*d.* for English butter, we are exceedingly obliged to you.

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16,209. A great many people will not look at Danish butter?—I am glad to hear it. It is a wholesome prejudice which I hope will continue to exist.

16,210. Do you think more education is wanted among farmers to teach them butter making, and other things?—I think you may educate the dairy maids with considerable advantage. I do not know that the farmer has anything to do with the making of butter. I do not know anything about it.

16,211. As to the general education of farmers, do you think that is satisfactory and sufficient; is that one of the principle causes of bad farming?—The bad education of the farmer?

16,212. Yes?—Certainly not. You may have the most excellent theoretical farmers who are sure to come to grief.

16,213. Do you think that farmers are educated sufficiently?—I think their education might be improved; it might be more practical.

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16,214. More practical, not more scientific?—Yes, and more scientific too, if it was a science that you can bring into practice, but it is no use having a theoretical science that you cannot bring into practice on the farm.

16,215. Do you think that that will be accomplished by the work of the County Councils?—I hope so, but I do not think so.

16,216. May I ask what in your opinion is the principal cause of bad farming which you mention in your proof?—Simply that the produce does not pay the cost of production; that is almost the entire cause, I think, of the bad farming. Deterioration in farming.

16,217. Not from any fault or omission of the farmer?—That is so. You may get your farmers so poor that they cannot farm properly; but I apprehend there are no farmers in times past who have reared a larger produce from a naturally unfertile soil than the Norfolk farmers.

The witness withdrew.

Adjourned to to-morrow at 11 o'clock.

Twenty-ninth Day.

Friday, 13th April 1894.

PRESENT:

VISCOUNT COBHAM IN THE CHAIR.

The Right Hon. HENRY CHAPLIN, M.P.
Sir ROBERT NIGEL FITZHARDINGE KINGSCOTE, K.C.B.
ROBERT GIFFEN, Esq., C.B.
Captain OWEN THOMAS.
JOHN CLAY, Esq.
CORNELIUS NEALE DALTON, Esq., C.B.
ROBERT LACEY EVERETT, Esq., M.P.
JOHN GILMOUR, Esq.
GEORGE LAMBERT, Esq., M.P.
WILLIAM CUTLACK LITTLE, Esq.
CHARLES WHITEHEAD, Esq., F.L.S.

HERBERT LYON, Esq., *Secretary.*
R. F. CRAWFORD, Esq., } *Assistant*
FREEMAN THOMAS, Esq., } *Secretaries.*

Mr. CLARE SEWELL READ recalled and further examined.

Mr. C. S. Read. 13 Apr. 1894. Technical instruction. Butter making.

16,218. (*Viscount Cobham.*) I think you have a statement to make in explanation of one point in your evidence yesterday?—Yes, with regard to a question that was put to me yesterday by the honourable Commissioner opposite to me. He said, did I not think that a better education would improve the farmer? I said that as far as regards practical farming I did not think it would. Of course, it would make him a much more intelligent man, and a much better business man all round, but at the same time, as far as regards practical farming, it can only be acquired upon a farm, however much you may learn in theory.

16,219. But a practical man would be all the better for a certain amount of scientific knowledge?—Certainly—I meant that. I am sure we all want better education in the country, especially the farmer, there is no doubt about that.

16,220. (*Mr. Whitehead.*) It arose out of what you said with regard to butter-making. I think you gave us to understand that the butter manufacture was not of a very first-class stamp?—No.

16,221. It struck me that improved education, on that point at least, might be desirable, and so I asked you the question?—With regard to the butter, I as a farmer consider that that is a question for the mistress and the maid, and not for the farmer. We do not, as a rule, go inside the house at all. The dairymaid particularly wants to be educated; there is no doubt about that.

16,222. It would be desirable that a farmer should have knowledge to enable him to superintend, would it not?—It is so fractional a part of our farming in Norfolk that we do not think anything about it. There is one other thing with regard to the butter that I think I ought to mention, and that is the fact that we have, all through the winter months, to give our cattle a very large quantity of roots, turnips, swedes, or mangold wurtzels, and it is much more difficult to make a good quality of butter from roots than it is from hay or from grass.

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16,223. (*Mr. Clay.*) There is a question that has not been touched upon yet, which was considerably agitated many years ago, and I think it came principally from Norfolk and Lincolnshire—that was the abolition of the malt tax. What effect has that abolition had upon the tenant farmer and his barley selling?—I think that agitation came mainly from the eastern counties, Norfolk, Suffolk, Essex, Lincolnshire, and a few other counties. The effect of it has been that in consequence of a free mash tub being allowed, so many other ingredients have been used in the manufacture of beer, that the brewers do not brew with the same quantity of malt that they did formerly. In this year, particularly, the demand for barley has fallen off very considerably. Perhaps I might be allowed to give you just an illustration of the price of barley and of wheat taking it in the last month, March. In 1874 I sold barley at 48*s.* the quarter; now I think the average price is about 25*s.* The price of beer is precisely the same—there is no difference in the price of the beer. Might I compare it with the price of wheat please, just to show the gain that there has been to the poor man, particularly with regard to bread, and how the cheapness of the barley has in no way benefitted him. In March 1874 (I have this return from the largest miller in Norfolk), the average price of wheat was 62*s.* 6*d.*; flour per sack was 45*s.*; Malt tax.

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and bread was 7½*d*. In March 1894 the average price they paid for wheat was 25*s*. 4*d*.; flour was 21*s*.; and bread 4*d*. per 4 lb. loaf. So that although the consumer there does not get the full benefit of the cheapness, still at the same time he does get a very considerable pull, whereas as far as the barley is concerned he gets no benefit whatever.

16,224. So that the consumer has got no benefit from the price of beer, but rather an inferior article?—It is an inferior article in one way, and perhaps it may be improved in another. It is brighter and clearer than it used to be, and everything now a days must please the eye. Even with regard to flour, our paupers will not have the flour as it is furnished by the guardians, unless it is whiter than the driven snow, and that really means this, that a large portion of the best nourishment of the wheat is extracted from it—the muscle forming part of the wheat is taken out of that very fine flour, and a good old fashioned seconds flour is much more nutritious as an article of diet.

16,225. How much do you consider the alteration of the malt tax has decreased the price of the good barley in Norfolk, and in other places?—I do not think you can put it all down to the alteration in the malt tax, because before the malt tax was repealed, I think it was Mr. Gladstone who passed an Act allowing light barleys to be malted by weight, and therefore the thin foreign barleys which are now so much used in malting had just the same chance as they had before. Also the use of sugar was permitted. What has taken place since the repeal of the malt tax is that they brew from anything they please, rice or maize, raw grain, or anything they like.

16,226. What I am wanting to get at is how far it has interfered with the profitable sale of the produce of barley in this country since the tax was transferred from the malt and put upon the beer?—I am unable to say, except that it has gone down very much indeed; but there is still a good sale for the very first class barleys, of which there was a peculiarly small portion grown with us last year.

16,227. We have had evidence that the lowering of the price by the alteration of the tax is something between 5*s*. and 6*s*. a quarter?—I have no means of arriving at that conclusion, because there are so many other agencies that have tended to reduce the price of all corn, especially the importations of foreign barley which have been so much increased, and which are now so much used.

The Agricultural Holdings Act.

16,228. Regarding the improvement of that very important measure, the Agricultural Holdings Act, as far as I have been able to gather from your evidence you admit that the principle of the Act is sound?—Quite so.

16,229. The principle of the Act is both sound and good?—Quite so.

16,230. What you object to is that the procedure and the expense of going to law, and the extra expense involved have deterred many men, especially small farmers, from going for compensation under the Act?—I do not think that has done it so much as the counter-claims that have been brought against the tenant.

16,231. No doubt you will agree that the procedure and the law expenses and other expenses are very excessive compared with the awards given?—I think the charges of the valuers are out of all proportion to the sum of money that they award.

Claims and counter-claims.

16,232. Regarding the counter-claims you seem to think that that is the greatest bar against tenants using the Act?—I am sure it is.

16,233. Indeed, you went so far as to say that these counter-claims sometimes had little or no limit?—They have no limit according to the interpretation put upon the Act by the valuers of Norfolk.

16,234. And very often these claims are not found substantiated by the facts?—Frequently.

16,235. Mostly made up through theory?—There are a great many of them which no doubt in theory may be right, but when you come to prove the damage that the tenant has done they very often fall through.

16,236. Now the tenant's claims are made up and substantiated generally by vouchers and receipts?—Yes.

16,237. For the landlord's claim they have nothing of the kind?—That is so.

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16,238. So that the tenant before he makes up his claim must show what he has spent as far as cakes and manures have gone on the farm; he must show the vouchers to substantiate his claim, along with an analysis, according to the new law, of the quality of the material that he has used?—He must.

16,239. Then you have put before us and very strongly commented upon this point that the landlord's and tenant's claims should be made on the same date?—Certainly.

16,240. There is no reason why the landlord can claim a longer time for making out that deterioration of his land, because both he and his land agent should be thoroughly acquainted with the workings of the farm?—I think that the landlord one month before the expiration of the tenancy ought to know all about the condition of the land.

16,241. But if he even made it at the expiry of the tenancy it would suit the outgoing tenant, and it would suit the landlord as well, would it not?—No, I think this; I think it ought to be made one month before in order to enable the tenant, if he saw, for instance, a gate was taken off its hinges, or a ditch was not cleaned out, or one bit of a field had some foul grass in it, during that month to put those small matters right, and therefore I should certainly have it one month before the expiration of the tenancy.

16,242. Both for the landlord and the tenant?—Both for the landlord and the tenant

16,243. And if the landlord saw any other thing going wrong in the steading or buildings he might amend his claim?—And claim for it too, 14 days after. I think that is only just because some people are very careless in removing fixtures and do an infinity of harm to the buildings and the house by knocking it about.

Claims by tenants for compensation.

16,244. Regarding the articles that the tenant is entitled to claim for, it is a difficult question, and it is a question that might be a little exaggerated by the claims for using the produce that is grown upon the farm?—Yes.

16,245. You said, and I think justly, that you would not allow any compensation for the corn that is used by horses?—That which is used by cart horses, but if a man grazed colts or had a large stock of shire horses, which were kept for breeding purposes only, I think in that case it might be allowed; but certainly not in the case of farm horses.

16,246. You would allow a claim for all the corn that has been used for cattle or sheep or other animals on the farm?—I would.

16,247. What check would you put on the outgoing tenant in order to prevent him from exaggerating his claim; would you carry out the principle that he should when he used corn make the landlord or his land agent aware that he is going to do such a thing, or would you let him have a free hand to make his claim out as he does?—I would let him have a free hand to make his claim as he does. Generally speaking, as a matter of course, all corn is given in the shape of meal. In all probability he would send it to the mill and he would have a record there, and if he ground it at home I would make him keep a record there of every sack of corn that was grown, and I would also make him keep a corn book so that you could see what became of the produce of his farm.

16,248. I can see the justice of getting compensation for it, but I think the landlord is entitled also to see that it has been really used upon the farm?—Quite so.

16,249. Through meal for cattle and the consumption of corn by sheep and pigs?—I think that he ought to be well protected from fraud; it is a difficult matter, but it is not more difficult to my mind than taking it off one farm and putting it on to another as we do now.

16,250. What I am wanting to be at is to protect the landlord from fraud in the matter?—Quite so.

16,251. There is the open door, I grant it that an unscrupulous tenant may claim more than what has been used?—He may, and I do not doubt that he would in some cases, but you must be sharp enough to see that he substantiates his claim.

16,252. What I want to get at is this, what check you consider to be safe and sound to let the machinery run honestly and sweetly along?—I have said that he ought to keep a record of it, and prove it by his men or by his tradesmen.

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16,253. In a general way farmers are not the very best bookkeepers, are they?—Certainly not.

16,254. But, perhaps, if there is any money to be got out of it, they would pay more attention to it?—Perhaps they might.

16,255. Without they could show by *bonâ fide* evidence this using of grain on the farm, it could not be substantiated as evidence?—I would give every check that was possible.

16,256. I think you say that you would like to see in the new schedules to this Act if it was improved, which I hope it soon will be, allowance for increased fertility and cleanliness and good cultivation as well as allowance for laying down grass for old pasture?—Yes.

16,257. Just now it is virtually upon the schedules that the tenant must rely?—Yes.

16,258. Increased fertility has never yet been taken into account in England?—That is so.

16,259. In Scotland I think you quoted a case, it was the Corshope case, was it not?—I think that was so.

16,260. That was a very marked case where the gentleman nearly doubled the value of the grassland by a large use of cakes and manures on pasture?—Yes.

16,261. The arbiter, recognised, for the first time I think it was, that allowance should be made for increased fertility, in a direction which is much required in England just now when the cultivation of arable land is not paying, and the land is being put down to grass; and I understand you would go the length of including increased fertility and the making of old pasture, among the things for which the out-going tenant should receive compensation?—I would.

16,262. Indeed, you want the out-going tenant to be fully paid compensation for the value he has left on the farm?—Yes.

16,263. That is your doctrine?—That is my doctrine. I do not at all go in for the three F's.

16,264. Then regarding the claim and the payment that should rest between the outgoing tenant and the landlord?—Certainly, the incoming tenant ought not to have anything to do with it.

16,265. You know it is sometimes put upon the shoulders of the incoming tenant, they say it is an arrangement and a bargain; but do you not think that when an incoming tenant goes to take a farm and values it according to the increased fertility made by the outgoing tenant if he pays rent upon it, and is called upon again to pay compensation, and it gets into the landlord's pockets does he not doubly pay it?—The tenant would be a precious fool if he does it.

16,266. (*Viscount Cobham.*) Does he not take into consideration the amount that he has to pay?—He ought to.

16,267. (*Mr. Clay.*) You consider that the landlord and the outgoing tenant are the two contracting parties?—I think that is so by the Act.

16,268. Yes, but what I am wanting to be at is this: you have often seen it put upon the incoming tenant's shoulders, the landlord turns his claims as obligations over to him, and he accepts them; and I think that is unfair; what do you say?—If the incoming tenant does that with his eyes open, I do not know that we have any reason to object; he certainly should not be so stupid as to pay an advanced rent in consequence of the improvements, and pay for those improvements himself, and therefore the Act very rightly says that the compensation should be paid to the outgoing tenant by the landlord.

16,269. So the two contracting parties are virtually the landlord and the outgoing tenant?—Yes.

The law of distress.

16,270. You also gave slight evidence upon the law of distraint; you said that it was perhaps beneficial to the farmer?—I think it is beneficial to the small farmer, the needy farmer, especially at this juncture; I think it would be a very great misfortune for it to be repealed just now, because the indulgence that landlords have given tenants I do not think many people are aware of.

16,271. You said that it extended 12 months?—Yes; to 12 months' rent.

16,272. Would you have any objection to see it the same as the law of hypothec in Scotland, reduced to six months?—I have no particular objection; I have no strong opinion about it one way or the other. I think it acts very well now, and I do not think at the present juncture I should like to see it altered.

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16,273. It acts, you say, well for the tenant, but how does it act for the trader who risks his capital in finding material, cakes, and seeds, and all these things for the farm?—It is against him, no doubt, and if I was a trader, I should go in for the abolition of the law of distraint, no doubt. Some people say, you know, that the bankers suffer by it. I have never known bankers suffering very much from farmers, they generally take precious good care either to be secured or else guaranteed, and when a man is bankrupt, they come before the Bankruptcy Court, and anybody would think that they were the most generous people in the world. They take the dividend, and then if they have not got enough of the dividend, they proceed against the guarantors; they invariably get the whole of their money.

16,274. Is it not the case that the trader, knowing that he has an unsound security for his principal and the interest, punishes the farmer by laying on an excessive rate for his goods to cover that?—I dare say he does. I suppose he can take care of himself fairly well.

16,275. And the tenant is benefited by it on the one hand, but is he not smarting on pretty hard lines of business on the other?—If he has got cash he can go and get his goods a good deal cheaper than he can on credit.

16,276. How many farmers in Norfolk now have cash compared with what used to be the case?—Not so many; but a good many of the best business men still pay cash.

16,277. But these cash men do not require any protection. I am looking at the farmer who does not pay cash?—I cannot see that the law of distress is against him—not the small and needy farmer.

16,278. Does the landlord not get a pretty considerable interest for his 12 months credit in the shape of rent from the tenant?—I do not quite follow you.

16,279. Does not the landlord giving the tenant 12 months credit get a pretty sharp 10 per cent. extra for the obligation of being delayed in the payment of rent?—I should say not. I do not see that he would.

16,280. Does a credit buyer get an article at the same price as a ready money buyer?—The law of distraint I believe prevails over every civilised country in the world except Denmark, and if you go to Denmark I think you will find that all the rents there are prepaid; that would not suit the farmers here I know.

16,281. Does not the law of distraint very often encourage the tenant to take up more land than he should take?—Perhaps it does.

16,282. That is not a very wholesome business?—No, I say I have no decided opinion about it, but I believe at the present juncture it is very favourable to the poor struggling tenant, and I should be very sorry to see it altered just now.

Sale by live-weight.

16,283. I will take you to a more genial subject. You know about the weighing of cattle, you have said something upon it?—Yes.

16,284. You have had a good deal of experience in America?—I saw it there, and I was very much charmed with it.

16,285. Would you like to see selling by weight and buying by weight established in England?—Yes, I should very much.

16,286. Would it be very beneficial and profitable to the tenant farmer?—Yes, I believe it would, because he is now pitted against dealers and butchers who must be better judges than he is.

16,287. It is their daily occupation, and it is perhaps the monthly occupation for a farmer to sell sheep and cattle by sight?—Yes, it is so.

16,288. You see that the Americans selling by weight over the scales as you have seen in Chicago, and other places, is the true principle of the tenant getting all that is in his cattle, and all that is in his sheep out of them?—I think it is the best plan, and I am quite sure of that in America in the wholesale way in which they deal; they could not get through the business unless they had some scheme of that sort. We have more time on our hands, and I suppose we are more fond of higgling and bargaining than most people, and, therefore, most farmers seem to prefer the old system. But I have

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bought cattle for stores and I have also sold fat cattle, and it is a very great advantage to me, because having been comparatively away from my farm for so many years, I do not pretend to know the weight of a bullock now as I did when I was 25 or 30 years old.

16,289. The very idea of the butchers and the jobbers objecting to pay by weight shows that it is for their benefit, and so that it is for the disadvantage of the tenant farmers to sell in that way?—Quite so.

16,290. So that if a tenant farmer could sell by weight he would be upsides with both the jobber and the dealer?—He would be put on a level with them.

16,291. Indeed he would get all the market value of the weight of the animal that is in it?—I think he would in some cases. Of course that is not the whole of the bargain, you must consider the quality of the meat.

16,292. The price in America is made by the quality, the grades is it not?—I would not follow the Americans so far as that, I think a farmer knows very well whether his bullock is half fat or fat; he knows very well whether it is the best quality of meat or not, he is just as good a judge of that, I think, as the man who buys it.

16,293. But the price in America, you know, is made by so many dollars and cents for the 100 pounds of live weight?—Yes, but then you grade your cattle there just the same as you do your wheat. I believe there are one, two, or three grades, and somebody else tells you which grade it is in, does he not?

16,294. No, the salesman tells you that he sells them at so much per 100 lbs., it may be 5 dollars, it may be 3 dollars, it is sold upon the value of the grades. It is the same here. You have prime beef in London which is perhaps bought at 5*s.*, and second class at 4*s.*; and when you come down to the third class it is 3*s.* the live weight of 8 lbs.?—I think the farmer is quite as good a judge about the quality of the meat as the butcher would be, and I do not think that selling by weight would help him much in that particular.

16,295. But still he would get increased value for increased quality?—I think he does that now.

16,296. Yes, but even as to weight, it is the weight I am wanting to get at. You consider it would be more beneficial for the tenant that feeds his cattle to sell by live weight than by the present system?—Most decidedly.

Cattle diseases.

16,297. (*Mr. Chaplin.*) I think you said that on one point the two bodies whom you represent, as well as yourself the Norfolk Chamber of Agriculture, and the Farmers' Club, differ, and that is about the admission of Canadian cattle into the interior?—Yes, Canadian healthy store stock.

16,928. You have suffered in the past very greatly in Norfolk from pleuro-pneumonia, I think?—We have considerably, and it almost all came from Ireland.

16,299. You would be very sorry to see it back again?—We should indeed. We do not dread that so much as we do "foot and mouth."

16,300. When you say that the Norfolk Chamber are in favour of the readmission of these Canadian store stock, I suppose that is only if it can be done without any risk of bringing back pleuro-pneumonia?—Most decidedly.

16,301. You are acquainted, I am sure, with the two great peculiarities of the disease, that it cannot be detected very often in the living animal, and that the period of incubation is very often a very long time?—Some months.

16,302. Are you aware that the Board of Agriculture in correspondence with the Canadian Government the other day pointed out that cases had been known of the development of the disease after no less a period than 15 months?—No, I did not know that, but I can very well understand how that occurs. An animal that has had an attack of pleuro-pneumonia may recover from it, and one of the cysts of the lungs may continue there for some months and by some accident or another burst, and although that animal may be perfectly well itself, it may be the means of communicating the disease to another.

16,303. Yes, quite so; but are you aware that in the autumn of 1892 three undoubted cases of pleuro-pneumonia were discovered among a cargo or cargoes of Canadian cattle landed in Scotland?—I have understood that there were three cattle.

16,304. And these animals and that cargo were distributed to no less than 70 different places in Scotland, did you know that?—I did at the time but I have forgotten it.

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16,305. Are you aware what the cost of getting rid of the importation of that cargo was?—No.

16,306. You are not aware that 13,000*l.* had to be paid in compensation?—No.

16,307. Do you know again that the Board of Agriculture instituted a systematic examination for some period of the lungs of all the Canadian cattle that were landed in this country after that outbreak?—Yes.

16,308. Are you also aware that three undoubted cases of pleuro-pneumonia were found in the months of May and June last year?—I do not know whether they were undoubted. It took a very long time to decide whether they were pleuro-pneumonia or not, I think something like three weeks.

16,309. It took more than that because every opportunity, I believe, was given to the Canadians and they were subjected at last to microscopic examination, but are you not aware of this that the Board intimated to Canada their opinion that they were undoubted cases?—Yes, I think they did after a very long time of examination.

16,310. Being aware of all those facts and also of the fact that the period of incubation may be so very long would you be in favour of the re-admission at the present time of Canadian store stock?—If the Board of Agriculture could assure itself of the health of the Canadian cattle I should say they might come. It is so entirely different from Europe; the whole of Europe is more or less dangerous—must always be and the live cattle ought to be absolutely excluded. But with regard to Canada in the first place it is a part of the Queen's dominions and we can rely upon their honesty I think a good deal more than we can upon some of the foreign Governments, and I am not aware of any transit of cattle through their Dominion unless they happen to smuggle in something across the borders of the United States. That is the only danger that I can see.

16,311. You are aware of course that there is still a great amount of that disease in the United States and that numerous cases from the United States have been detected in the last 12 months?—I think that the Eastern States of America are more or less subject to pleuro-pneumonia and I fancy they always will be when they have those huge town dairies.

16,312. Are you not of opinion that considering the enormous length of frontier between the United States and Canada there must be always considerable danger of animals being smuggled across the frontier contrary to law?—I think there is a danger, but the Canadians do not like the Yankees and *vice versâ*, I believe. I do not think there is so much danger as someone might imagine in consequence of the length of the boundary.

16,313. Your general view then I take it to be this, that although you would be in favour of the readmission of Canadian stores, if it can be done with an assurance of safety, unless that is possible you would rather things remain as they were?—Certainly.

The depression in Norfolk.

16,314. Your description of the state of Norfolk leads us to believe that the agricultural condition is deplorable there, that is so, is it not?—It is so, in common, I think, with almost all other arable districts of East Anglia.

16,315. As to the landlords, you say that they have lost at least half their income. Are many of them obliged to give up living at their homes?—I should think that taking the county of Norfolk through, two out of three of our country gentlemen do not live in their homes.

16,316. In consequence of their diminished incomes?—Certainly.

16,317. That in itself, I assume, you would regard as a very great evil and misfortune?—Very much so, because the shooting tenants who occupy the mansion only come down for a few months, and they do not take any particular interest in the neighbourhood.

16,318. The position of the tenants, except in the north-east of the county, you describe as one of absolute ruin and wholesale bankruptcy?—I would not say that applies to all tenants, but I say, taking a general view of the case with these three bad seasons, and the unpre-

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cedentedly low price of agricultural produce, that is their condition.

16,319. That being the position of the landlords and the tenant farmers, I understand you that the yeomen and freeholders are even worse?—I believe so.

16,320. And that they are fast disappearing?—Yes, there have been more bankruptcies and assignments among the yeomanry in proportion to the tenantry.

16,321. And this is so, although in the case of the yeomen and the freeholders they enjoy, of course, the fullest security for their outlay that any law could give them?—Yes, but they have also the whole of the burdens, both of the landlord and of the tenant to bear.

16,322. That being the case with the freeholders, it points, I apprehend, rather to this, that neither the "three F's" which are often suggested nor any amendment of the Agricultural Holdings Act, however desirable they may be, can be regarded as a remedy for this state of things?—Certainly not with the yeomanry or with the freeholder.

16,323. And with regard to the tenants?—I do not think if you had the best Agricultural Holdings Act that was applied anywhere that it would be of any use to the tenants to save them from ruin now.

Reduction of rent.

16,324. As to the question of rent the reductions have already been considerable?—Yes.

16,325. Can you say what proportion of the rent which is left on an arable farm would represent the whole outgoing of that farm?—About one-sixth. Might I just say one word in reference to that. A large farmer close by Norwich told me this only last Saturday: he said, "When I begun farming my rent was "twice my labour bill, now my labour bill is twice my "rent."

16,326. That answers the question that I was going to ask you; how does your rent compare with your labour bill?—That is a remarkable instance, but my rent was never very high, and I apprehend this man's was at one time. My labour bill is 50 per cent. more than the rent and tithes and rates.

16,327. Then, of course, you have very large outlays on the purchase of manures and cake and other expenses?—Yes.

16,328. We may take it that the rent is about one-sixth of the total outlay?—On a light land arable farm I think it is so.

16,329. I remember that on the occasion of the great agricultural meeting at St. James's Hall, you gave some very interesting information, which I am rather anxious to elicit before this Commission. You told us then what was the difference between the wheat and the barley crops alone in Norfolk, in the value of those crops taking the year 1891 and the year 1874. Do you remember what that was; you estimated it, I think, at something like two millions?—I am the worst hand possible at remembering figures. I hate them to begin with; therefore they do not stick long with me, but I do not doubt that what I said was about true. It is worse now.

16,330. "Contrast 1891 with 1874 our last good and "best agricultural year, and what do we find? Taking "wheat and barley alone in the county of Norfolk, we "farmers have lost absolutely from that date, com-"paring the two years, two million pounds"?—If I said it then I say it again.

16,331. Then you put the acreage of Norfolk at, in round numbers, a million?—Yes.

16,332. And you put the rental at 1*l.* an acre in round numbers all round?—Yes.

16,333. And showed that in that way, in two articles of production alone, double the amount of rent had been lost?—Yes, I can remember that fact.

16,334. And that you would state now to the Commission equally?—Yes, I would.

16,335. Only that it is worse?—It is rather worse; this last year it is worse certainly.

16,336. Then, as a matter of fact, the rent is a very small item in the present condition of the agricultural interest in Norfolk; it is not a material cause of the depression?—Most decidedly not. I am speaking of course now of arable land.

16,337. I am speaking also of arable land. You also stated to the Commission in your first examination that unless six rents could be made by a farmer on an arable farm in Norfolk, you maintain that he could not get a living?—I think not.

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16,338. What I am asking these questions for is to elicit from you whether it is your opinion that no further reductions of rent in the county of Norfolk could be regarded as a sufficient remedy for agricultural depression?—No, certainly not. I think the rents must be further reduced, but unless something else happens in addition to that, an improvement in prices say, I do not think that reductions would save us.

16,339. Further reductions of rent must be made, but those will not be a remedy for agricultural depression or save the farmers, if the present state of things continues in other respects?—Certainly not.

Fall in prices.

16,340. Now upon the question of prices has it been your experience that the fall in prices during the last few years has been more or less continuous?—Yes, I think it has. With regard to wheat, it seems to me as if there was no bottom to the depression.

16,341. Do you share what was a very general opinion when wheat fell to 30*s.* last year, that at that time we must have touched bottom?—I thought so when it was 40*s.*

16,342. Now I think I am right in saying it is about 24*s.*?—24*s.* 5*d.*, I think, is the price.

16,343. Then the drift of your evidence, in fact, to a great extent, I take to be this: that the real cause which lies at the root of the present agricultural depression is the great and continuous fall in prices, and that there can be no effectual remedy unless there is some improvement in those prices, or at all events, unless the continuous fall is arrested?—I would add the bad seasons please to that. We have had three exceptionally bad seasons; in fact we have not had a really good corn crop, and root crop, and hay crop that I can remember since the year 1874; something has always been amiss.

16,344. But with good seasons during the last three years and the present prices, would agriculture have been, in your opinion, perfectly prosperous?—Certainly not flourishing, but we should not have been as badly off as we are.

16,345. That is to say that the effect of these extremely low prices has been aggravated to some extent by the bad seasons?—It has, no doubt, especially this last season in the county of Norfolk.

Small holdings

16,346. Have you ever turned your attention to the question of small holdings and to the possibility of reducing the size of farms?—Yes.

16,347. Would you state your views upon those subjects to the Commission?—It depends where you are, but if you are in a large light land county like Norfolk, which is almost all under the plough, I do not think that small holdings are a great advantage. There ought to be a few small holdings in every parish, not so much for the benefit of the labourers as for the benefit of the traders. They want a little bit of land and they generally farm it fairly well. But with regard to the *bonâ fide* small farmer in the arable districts, I say that the only way in which he can possibly succeed is this: in doing the work of two agricultural labourers and living at the expense of one. That is the only chance that he has, and I say this: that as far as regards his family they are worse educated and harder worked than the children of the agricultural labourer. I should say also generally that when people imagine that those men who rise from being agricultural labourers rise by the simple hard work of the farm, that is very seldom the case. The man who really rises with us is this sort of a fellow: he is a sharp lad; perhaps he keeps rabbits or poultry; he gets a little money together, and he buys a pig and afterwards perhaps he may start a pony-cart. Then he becomes what we may call a pig jobber, then perhaps his wife will keep a shop. They might kill a pig in the week and retail it out. Then he would perhaps buy a few sheep, and then possibly cattle, and then he would want a bit of land, and then he would go on from one field to another. I could put my hand upon dozens of men I might say that come on to Norwich Hill who have risen in that way to be large farmers or great cattle dealers; but at the same time I could not put my hand upon half a dozen small men who had risen simply by farming a bit of land.

16,348. Where the occupation of small holdings is combined with some trade, some other business, in the

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villages or small towns, there you think it may often be found to answer?—Yes, and in addition to that, where there is a lot of good grass land, and a man can keep his cow and all that sort of thing, very small holdings are not only very necessary I think, but I believe they are fairly profitable. Where a man can sell milk there I think he has a chance of getting a fair living. But where you come to simply arable land I do not think any man ought to have a small farm under 50 acres, because he must keep a couple of horses to do his work and that requires a considerable amount of capital, which very few labourers possess.

16,349. Were it in a country where it would be possible you would think it very desirable that a labouring man should have an opportunity of keeping a cow, if it could be arranged?—There is a great difficulty in keeping cows on arable land There are many farmers in Norfolk who do not keep a single cow.

16,350. Yes, but I say in a county where it is feasible, where there is more grass?—By all means, certainly.

16,351. You advocate that strongly?—Very much so.

Protection.

16,352. You told us that you attribute the fall in prices mainly to foreign competition, but at the same time you do not advocate protection; but did I understand you to say that you would like to see import duties for the purposes of revenue?—Yes, I say so, but I do not suppose that that is an opinion which would find favour with many outside the agricultural interest. But if you were to poll the Norfolk farmers, I should think they would be 9 out of 10 in favour of protection.

16,353. The great majority of the Norfolk farmers, I apprehend, would be bolder than you?—Yes.

16,354. And they would go for protection outright?—They would, no doubt.

Wheat growing in America.

16,355. Although you consider foreign competition so injurious, I think you told us that the American growers of wheat were almost as much ruined as the wheat grower in England; there were some reasons for believing that we had seen the worst of American competition?—I think you have had my friend, Mr. John Clay, junior, here before you, who has said as much as that, and also from my friends in America I hear the same tale, that in the Eastern States particularly, the farmers are just as badly off as we are.

16,356. It is also the case, I think, that you stated that the American acreage of wheat was less?—Yes.

16,357. And the population of America very much greater than it was some years ago, and yet concurrently with this the price of wheat is lower than ever?—It is lower than ever.

16,358. That was the view you put before the Commission?—Yes that is the view I put before the Commission.

The currency.

16,359. Has this state of things ever led you to consider whether the fall in price can be due to some other cause—a cause connected for instance with the currency?—Yes, although that is a point that I should not like to offer an opinion upon, but I am very strong on that subject. My own experience and the history of our agriculture during this century shows that the currency has a great deal to do with the prosperity of agriculture. If I might be allowed to state it, my father went into business in 1820 and he told me that he was half ruined by the withdrawal of the 1*l.* notes. I think that came about in 1821 or something of the sort. In 1822 prices were ruinously low. Then I think they restored the 1*l.* note for a few years and agriculture flourished again until I think about the thirties; then they withdrew them altogether and there was a period of agricultural distress. I am quite old enough to remember the early days of free trade, and about the years 1850 to 1852 we were very nearly as badly off as we are now. Then all of a sudden there was the most extraordinary discovery of gold I suppose that the world has ever known and about 1853 prices went up and we prospered for a long time. Then there were all sorts of wars which I daresay helped, which I hope to God will not occur again, but in the year 1873 I believe there was an alteration in the currency in other lands and a withdrawal of silver and from the year 1874 there has been a gradual diminution I believe of prices, that is to say the people who have had money have done fairly well, but people who have employed labour and who have been engaged in the production of manufactures have fared rather badly. I will not say anything about the Indian rupee but I read in the "Times" the other day a most extraordinary statement about what they call the Wheat King of the Argentine Republic. I daresay you have had that before the Commission. It was a remarkable article upon a Mr. Guazone.

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16,360. (*Mr. Everett.*) Can you tell us what date that was in the "Times"?—I think this last February. He was an Italian gentleman, he had 66,000 acres of wheat; he hired 3,500 railway trucks to take this wheat of his to Buenos Ayres and he sold it at 80 dollars a ton. If he took seven tons in a truck that would give his produce at something like 13 bushels per acre or about 110,000 quarters. Taking the price that he made of it in the currency of the Argentine Republic he got over 70*s.* a quarter for his wheat; but paid in gold, I believe it was, about 18*s.* a quarter, so, of course, they can send it here to London and sell at a profit at 25*s.* a quarter.

16,361. (*Mr. Chaplin.*) And in that way depress the price of wheat everywhere else?—There is every reason that he should grow rich and I should grow poor, I apprehend, if that is true.

16,362. At all events you appear to be strongly of opinion that the great fall in prices from which we are suffering now is due to some general contraction of the currency of the world, and that an expansion of that currency might put a very different complexion upon the position?—I think it would. From what I have read in history it has always been the case that when there has been plenty of money people can prosper.

16,363. You are aware that a party in the country are now advocating the readoption of the bi-metallic system as very likely to improve the agricultural situation?—Yes. I do not pretend to understand that. I do not think anybody can; at least, I know no two people who seem exactly in accord upon it, but at the same time I think something of that sort would be very desirable. Even if I were made Chancellor of the Exchequer to-morrow I would issue £1 notes for the time being and put silver against it. I think that would help.

16,364. However, if this system which you find so difficult to understand, was to have the effect of arresting the continuous fall in prices from which we are suffering so much at present, and possibly even of giving prices an upward tendency, if it had that effect, that you would regard as a real and substantial move in the direction of a remedy for agricultural depression?—Yes, I should, because I believe that is brought about by unfair means. If it was a legitimate transaction between different countries I should not object to it so much, but I apprehend this—if you have a market that is full, and you have this cheap commodity only to the extent of 10 per cent. more than is required, that 10 per cent. reduces the whole of the value of the other stock 20 per cent.; and that is the case I believe with these silver depreciated countries sending wheat to us.

16,365. I do not ask you any questions as to how, in your opinion, the establishment of any such system should be attempted, because I understand you to say you have not studied it sufficiently to express an opinion?—I know nothing about it whatever.

The Agricultural Holdings Act.

16,366. Now with regard to the Agricultural Holdings Act, I want to ask you a few questions. You do not altogether disapprove of the Act itself?—Not at all.

16,367. It is more of the administration of the Act that you complain?—Yes, in my own district, I will not go outside that. We say that whereas I think we in Norfolk have not one per cent. that comes under the Act when there is a change of tenancy. "Bell's Weekly Messenger" had a return from the whole of England, in which they put it only at five per cent.

16,368. You have suggested several amendments, about which I will ask you some questions directly, which you think will be advantageous, but I do not understand you to say that supposing all of them were adopted that you contend as indeed you said just now that that would be a remedy for the depression?—No, because although some farmers in some districts may think of leaving farms we never give a thought of that until we cannot go on any longer.

16,369. Your object is to stay in your farm?—Certainly.

16,370. And as long as you stay in the farm no alteration in the laws which provide compensation for leaving would have any effect upon you?—Not any.

16,371. Now as to your suggestions, they were seven or eight, I think, in number?—Yes.

Landlords' claims.

16,372. You stated that the landlord's claim for dilapidations should be limited, I think, to the list of the dilapidations which were to be scheduled; is that what I understood?—Yes.

16,373. What dilapidations is that proposed schedule to contain; could you give us the particulars?—No, I could not; but they are very ample.

16,374. They embrace everything?—They embrace almost everything, I think.

16,375. But you are not prepared to put them before the Commission now?—No, we have agreed upon them in the Central Chamber Committee, but as you very justly said——

16,376. Provisionally?—Provisionally agreed to them, but there will be no opposition I apprehend to that schedule.

Claims and counter-claims.

16,377. Then your second suggestion was that the landlord's notice of claim for counter compensation should be given on the same day as the tenant's, except for buildings?—Yes.

16,378. Upon that I want to ask you this question; is there any real necessity for any notice of claim at all upon either side; would it not be sufficient to say up to a certain fixed time either party may claim whenever he likes?—I think that it is well that a claim should be made on both sides, so that you may know what you will have to pay or what to receive.

16,379. For instance, there are many things for which a tenant, as a matter of course, must receive compensation, or ought to receive compensation on quitting a farm; why should he be compelled to give any notice of that claim?—Because one is so obvious; you can see a haystack and a field of roots, and a heap of manure, but you cannot see the unexhausted value of your feeding stuffs and manures in the land, and therefore you ought to be prepared to say what you claim and give proof of it.

16,380. You are acquainted with some of the customs which prevail in other counties than Norfolk I know?—Yes, I am.

16,381. For instance, you are acquainted with the Lincolnshire custom more or less, I think?—Yes.

16,382. It is the case there that no notice of claim is ever required, is it not?—I believe that it is so common and so old a custom that you do not give a notice that I am aware of.

16,383. If a practice works without any friction or difficulty in the case of an old established custom is there any necessity for making your law upon a different basis in the case of an Act of Parliament?—Yes, I think there is; a custom is a thing that everybody understands, and that the majority of people agree to; an Act of Parliament is totally different in its operation.

16,384. Then you mean to say that unless a tenant gave a notice that he was going to claim by a certain day within a certain time, which you would lay down in the Act of Parliament, if he neglected that he would not be allowed compensation at all?—I should think it would be rather sharp practice if he had forgotten to give it on the day, but at the same time I should expect him to give a notice.

16,385. But surely if you make a condition and enact it by Act of Parliament he must conform to it or not?—Yes, of course he must, but I do not think you want to be so exact as they are with us, when they say that eight weeks are not two months, and that sort of thing.

16,386. Then if you are not to be so exact, does it not rather come to this, that the view which I entertain myself that notice is not required may not be very far from right?—I think the landlord should know what the tenant claims. As to the precise day I do not know that it signifies quite so much.

16,387. However, you think there ought to be a notice given?—I do.

16,388. At present I confess I have not elicited any very strong reason for it?—Of course it is so new with us you see, and it is so old with you that you do not require a notice.

Scheduling the condition of farms.

16,389. Now you told us in the third place that there ought to be, you considered, a record of the condition of the farm upon entry?—Yes.

16,390. Would you explain how that is to be carried out, who is to make the record?—The two valuers who value the farm on going in. I do not know whether it is the custom with you, but we always have the outgoing and incoming tenant appoint the valuers; they go round and see every field, and their report could put on the valuation.

16,391. Is this record to be compulsory?—I think so.

16,392. By whom is it to be kept?—The landlord would get the copy of the one, I suppose, the tenant of the other.

16,393. Would you not have one copy filed in some public department?—I think not. I think the landlord generally has an agent who would take care of it for him.

16,394. Is every field to be specified?—I do not think that is necessary, but they might make a few general observations on the condition that the land was, either foul or clean or in a high state of cultivation, or that it was impoverished.

16,395. I wanted to go a little bit further than that. You would say there are to be different grades of condition then; what is the form of the record to be; is it to be a general form or is it to be entirely at the option of the valuers?—I think it might be left to the option of the valuers to say whether the farm was in good or bad condition at the time of the entry.

16,396. I am trying to elicit information, because I think it is a very good proposal myself, and I should like to hear from a practical man exactly how it should be carried out. Is it to be limited to "good" or "bad"?—If I might suggest it, I think the gentleman who is coming after me, who knows ten times more about valuations than I do, would be a better judge and give you a more decided and valuable opinion than I could possibly do. But my idea generally is this, you have this valuation which says that for the roots and hay and for the compensation, so much; and then you might in a very few words describe the general condition of the farm, and that I think would be ample.

16,397. But the plan has not been at present, in the Committee that you speak of, thoroughly threshed out I suppose?—They have not scheduled it or anything of that sort.

Payment of compensation.

16,398. Then it is proposed that continuous high farming with good and clean cultivation should be scheduled for compensation; is that to be in lieu of compensation for outlay on improvements, the benefit of which the tenant loses on leaving, and for which he gets or ought to get now, a full compensation, or is it to be in addition to it?—It is an addition to it, because you cannot go back under this Act for more than two years for your artificial manures and your feeding stuffs except in the case of bones I think; and generally speaking that is quite long enough on arable land but on pasture land which has been well grazed with cake and corn for a good many years I think there ought to be something paid for that independently of the last two years.

16,399. Then if it is to be in addition to compensation for improvements I want to ask two more questions and the first is this: Is it not implied even if it is not actually expressed in almost every agreement that is made for entering upon a farm, that the tenant is to farm his occupation well and to keep it in good and clean cultivation?—Yes.

16,400. If that is so why is he to be compensated for only doing what he has expressly agreed to do?—Because you very often have continuous high farming which is quite a different thing from the ordinary acceptation of clean and usually good husbandry. I think that the man ought to be compensated for that in the same way that a man ought to be fined if he leaves his farm foul and poor.

16,401. Then it is for high farming as such rather that you make this suggestion than for ordinary good clean cultivation?—Except this: that if a man takes a farm very much out of condition and leaves it in good condition, I think that ought to be an element for compensation provided that he has not been remunerated by a reduced rent.

16,402. But is it not the case that the tenant where he has farmed it well, and exceptionally well, gets compensation by the increased produce and profits which naturally arise from a farm in good condition as long as he occupies it; does he not go on getting compensation all that time?—Yes, he gets some but he leaves some too.

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16,403. Then, if I understand the proposal aright, it comes to something like this: the tenant is to get compensation first, by the increased profits while he is in the occupation of the farm; secondly, he is to get compensation for the unexhausted outlay which he leaves in the farm; and thirdly, he is to get compensation for carrying out his agreement to farm well?—No, not under the ordinary acceptation of the terms; "continuous high farming," I believe, is what we propose.

16,404. Would you give us the words again, because this is rather an important question?—I think it is "continuous high farming with good and clean culti-"vation to be scheduled with compensation;" that is to say, you may have a man who would farm his land very highly, and yet at the same time, keep it quite foul. There are such instances, and he would get no compensation, but if he did both he would.

16,405. Let me understand a little more; would he get compensation for good and clean cultivation without high farming; according to your proposal, is that your view? You may actually have good and clean cultivation without any exceptionally high farming?—Yes.

16,406. Would he have to be compensated for that good and clean cultivation?—Not unless he could prove that the farm when he took it was in a very bad state of cultivation, and foul.

16,407. And then if he was charged any less rent because of its being unclean and foul, he would not be compensated?—Certainly not, he would get his compensation there.

16,408. The amount of this new compensation, I think you said, was to be left entirely to the valuer?—I think so.

16,409. Is there to be no limit to it, no principle by which the valuer is to be guided in awarding it?—I should leave it to the valuer, as we must a great many other things.

16,410. But surely it is not left entirely to the valuer. The amount of compensation is usually either on the basis of outlay, or upon the value to the incoming tenant; is that not so?—Well, we will take it at the value to the incoming tenant; if he can prove that he has enhanced the value to the incoming tenant, that should be the basis of the improvement; if he had spent the money injudiciously, and had not improved the land, he would not get any compensation at all for it.

16,411. So far then you would give the valuer this guiding principle, that the compensation is to be paid on the basis of the value to the incoming tenant?—That is the basis now I think of all the improvements.

16,412. That is in the Act itself?—Yes.

16,413. And you propose that this compensation should be treated in the same way as the others?—Just so.

16,414. There it seems to me there is a difficulty. Will not the value to the incoming tenant depend entirely on the rent that he is to pay for it?—Yes, but the landlord is to pay this I apprehend, not the incoming tenant.

16,415. Yes, but if the value depends to the incoming tenant entirely upon the rent, as it appears to me that it would do, I do not see how the valuer is to make his estimate without taking the rent into account; and I think you said in your first examination that any interference with rent was entirely outside of your views?—Of course. It has nothing to do with the rent that the incoming tenant pays. I apprehend that the landlord would get as much as he possibly could, and if a portion of the increased rent was due to what the tenant had left there, I think that it should be paid for.

16,416. Then that practically would mean the valuation of the rent by the valuer which is precisely what I understood you to say you deprecated?—I did not say that. The landlord takes these improvements upon himself and has to pay the compensation. The tenant pays a higher rent in consequence of these improvements. He can make what bargain he likes with the landlord.

16,417. Quite so, but then I understand the valuer is to estimate how much this continuous high farming has added to the rent which the new tenant is enabled to pay, and he has to get compensation by deducting an equivalent amount or by calling upon the landlord to pay an equivalent amount?—I do not follow you there. I say again that the incoming tenant has nothing in the world to do with this; this is the compensation that the landlord pays to the outgoing tenant for having increased the value of his holding; and the next party that comes in has nothing to do with it I apprehend.

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16,418. I am not submitting to you that the next party has anything to do with it but what I am submitting to you is this, whether it is not tantamount to the valuer deducting so much from the rent because he calls upon the landlord to pay compensation to the outgoing tenant to the amount if I understand you by which the rent has been increased in consequence of this good farming?—It is the value of the "holding"—that is the word; I do not think "rent" comes in anywhere in the Act, and I do not see why it should apply to this clause more than to any other; it deals with the increased value of the holding as an agricultural holding.

16,419. Have you ever considered this in connexion with amendments of the Agricultural Holdings Act, that compensation must be based either on outlay or on the value to the incoming tenant; would it be advisable, in your opinion, so to amend the Agricultural Holdings Act that in future the compensation should be based upon the outlay rather than upon the value to the incoming man?—In the case of manures and feeding stuffs you must take into consideration the outlay. I do not think in the more permanent improvements that it is necessary to consider what the outlay was, because it might have been very injudiciously spent. It might have been extravagantly done and it might be an utter failure; and therefore I do not think that I should alter it in that case. In the case of manures you cannot do otherwise than consider the outlay.

16,420. You are aware that this is done, that the compensation is based upon outlay in the case of most of the customs?—Yes, but then they refer only to what we call quite temporary improvements.

16,421. Not in all cases, surely?—I thought they did, but I am not up in the tenant right of other parts of England.

16,422. You have no custom, I think you said, in the county of Norfolk?—Not an atom.

16,423. That is owing to the fact, is it not, that for a great number of years it was the practice until recently to let farms in Norfolk upon leases?—A good many of them are let upon leases.

16,424. That would account for no custom having grown up, probably?—Possibly.

16,425. But where there are full and elaborate customs, such as those which do exist in some parts of England with which I am personally acquainted, I was going to ask you this question if you had been able to answer it: is it not the case that a fixed proportion of the outlay on the several improvements is allowed, varying in accordance with the time they have been made, and by which everybody knows when he quits pretty nearly what he is going to get?—I think that is the case with draining, but I do not like that principle myself on which to pay even for draining, because it may have been very badly executed, or it may be in quite as good order at the end of 10 or 15 years as it was on the day that it was done, and it may be on some soils that do not want draining and are rather injured than benefited by draining.

16,426. If I remember right the first Agricultural Holdings Act was based upon that principle was it not?—I think it was.

16,427. Many years ago. I also remember that you introduced an Act of Parliament yourself in connexion, I think, with Mr. Howard?—Yes.

16,428. What principle was that based upon?—It is so long ago that I have forgotton, but I really think it was principally as you say on outlay.

16,429. On outlay?—Yes, you see that I am dead against giving any facilities for tenants doing landlords' work, and I consider that draining, and road making, and building, and all those sorts of improvements, ought to be done by the landlord. I do not care so much about how you are going to arrange that compensation; the compensation that I want for the tenant is for what he does himself in the cultivation, and in the maintenance of the fertility of the land—that is his proper business, and he ought to be compensated if he leaves any of

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those improvements behind him. The others I do not care very much about.

16,430. Even with regard to what I should call from your description, these minor improvements there, you would object to have the compensation paid on the basis of outlay?—You must take the outlay into consideration in the last two years I apprehend. Of course you cannot trace the benefit—that is impossible. Suppose a ton of manure is put on to a field; if it is put on a field in the month of March or in the month of November, it makes such a wonderful difference to it. You must take a general all round view of the fertility that has been imparted to the soil by the application of these manures and feeding stuffs.

16,431. Does it not rather come to this; that although the principle of the Act with regard to these minor improvements may be based nominally upon the value to the incoming tenant, as a matter of fact it must be estimated on the basis of the outlay?—In the case of these minor improvements certainly.

16,432. And with regard to the major improvements, your chief objection to compensation on the basis of outlay would be, I understand, because it gives facilities to the tenant to make improvements which ought properly to be made by the landlord?—Yes, and which, generally speaking, he would not be in a position to make as well as the landlord.

The schedules.

16,433. Then I will come to the next point. You propose to transfer some items in the first schedule in the existing Agricultural Holdings Act to the second schedule: could you say what items it is proposed to transfer?—Small market gardens not to exceed half an acre and laying down the land to grass. But you will have ample opportunities, if I might say so, of hearing this from the Secretary, say, of the Central Chamber when this is put before you, when the Committee have reported and it has been adopted by the Central Chamber.

16,434. I will do exactly what you like, but I was anxious to get your opinions, as a well-known practical man, before the Commission. Perhaps we had better postpone it; if you wish it, I will?—I would rather do so, because I have not the materials before me. I forget what they were, but they simply came to this: I think, generally speaking, to take some of the minor improvements out of the first schedule and to put them into the second.

Compensation for home-grown produce.

16,435. May I ask you one or two questions about the compensation for home-grown corn to supplement those that Mr. Clay has asked?—Yes, certainly; I do not object to anything.

16,436. I think you said in your principal examination that you would limit compensation for home-grown corn to what was consumed by the cart horses?—No, I would exclude the corn that is given to the cart horses from any compensation.

16,437. And why?—Because a great portion of the manure is not deposited on the land at all.

16,438. What becomes of it?—Horses go off to market and on the roads, and you do not have them constantly employed on the farm.

16,439. Then you would limit it to the corn consumed by the other stock upon the farm?—Yes, but I have stated that if a man grazes colts, or keeps a lot of breeding horses, I do not see why they should not be compensated for, because they do not go off the land.

16,440. Has not the great objection to compensation for home-grown corn always been this: that it is almost impossible to prevent fraud?—That is the reason and the only reason that I know of, and it is a very strong reason.

16,441. You said it was difficult to put a check upon fraud in this case, but it was not more difficult than it is now, is it?—No, not more difficult than when a man has two farms and gives up one; he can take the corn off the farm that he is holding on and send it to the other farm and he is compensated for it.

16,442. But you admit even now that there are great openings for fraud, and that it is a very difficult thing to guard against?—Yes, there are openings for fraud in most valuations.

16,443. But are there not openings greater than usual in this case, greater than the ordinary transactions on the farm?—There are cases where you cannot give your receipt; you cannot prove the money that has been paid.

16,444. Can you suggest any means by which the valuer can get reliable information as to the quantity of the crop of corn that he has grown on the one hand and the quantity that has been consumed by the animals on the other?—I think he could; our valuers are very sharp fellows, and they generally manage to get at the truth, I think.

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16,445. How are they to estimate the quantity that he has grown?—They cannot estimate it, he must prove it. The burden of proof of course must be upon the man. He must bring his books, he must bring his forms, and he must bring his bills if he sent the corn to be ground, and that sort of thing.

16,446. In the earlier part of your examination you told us that one of your great grievances, or one of the complaints you had to make of farmers was that they hardly any of them keep accounts?—If they do not keep accounts in this case it would be ——

16,447. A dead letter?—A dead letter, just the same as they are required under Schedule B. if they do not keep accounts they cannot get out of Schedule B. and they must be content to pay it.

16,448. Even if they kept accounts how are you to check their figures and know that they are right and that the accounts are fair?—I think you have means of proving that in the great majority of cases.

16,449. But you admit to the Commission that there would be very great difficulty about it?—Considerable difficulty, but not insurmountable difficulty.

Compensation for land laid down to grass.

16,450. What was the last suggestion that you made as to the amendment of the Agricultural Holdings Act?—I think it was two years' old seeds to be paid for if in good plant and the land clean and in good heart. That refers principally to the common practice now of keeping light land down two years, or three years possibly, in grass, and the tenant going out after he has kept it down two or three years.

16,451. I thought the last suggestion was some general clause which I did not quite catch the terms of?—It was this then—"Any other improvement increasing "the value of the holding as an agricultural holding "for which the tenant is not otherwise compensated" —I think that is the wording.

16,452. That is in order to embrace anything which is not already included in the Schedules?—It is; in the same way that I think the Schedule of the landlord embraces this general proviso.

Compensation for good farming.

16,453. With regard to the question of continuous good farming, do I understand you that for continuous bad farming the landlord is to be compensated on the other hand?—Decidedly.

16,454. I should like to ask you this question but perhaps you may not think it desirable to answer it, and would object to expressing your opinion; by which party as a general rule in these days would compensation have to be paid; will the compensation be for continuous high farming, or will it be for continuous bad farming?—I fear it would be for continuous bad farming.

16,455. Then I am afraid it would hit the tenant farmers rather severely?—I think, perhaps, it would at the present moment; it would be just, all the same for that.

The currency.

16,456. (*Mr. Giffen.*) With regard to the fall of prices after 1820, which you spoke of as being due to the 1*l.* notes, I suppose you did not mean to exclude the effect of other causes of the contraction of money at that time, such as the return to specie payments?—I only know what my father told me. He always attributed his great loss to the withdrawal of the 1*l.* notes; whether it was right or wrong, I do not know.

16,457. Still, as a matter of fact, that was only one incident in a great many changes which were happening at that time, such as the return to specie payments?—I think there must have been some other cause, no doubt.

16,458. But you did not wish to commit yourself personally to the opinion that it was the 1*l.* notes exclusively?—Certainly not exclusively, but I should think they were a considerable factor.

16,459. You spoke of the gradual diminution of coin since 1874—I think that was the phrase that you used?—I apprehend this, that the commerce of the world, and the population of the world have increased, and that gold has not increased in proportion to it.

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16,460. That is the very point I wish to bring out—you did not mean to imply that there had been an actual diminution of coin in use in this country?—No, I should think not, but I do not know.

16,461. Then you spoke of being in favour of the use of notes of 1*l.* now—do you think that that would be of some beneficial effect?—I fancy so, but I am no authority on that point; that is only my humble opinion.

16,462. You do not put it forward as a very material matter in comparison with all the other things that are happening at this time—it is the question of degree that I am putting at this moment?—I think it might be a good help.

16,463. But the effect would depend upon the amount of gold that would be set free by the issue of the 1*l.* notes?—Possibly.

16,464. Gold being our standard?—Yes.

16,465. Do you attach any importance to the issue of the notes against silver?—Yes, I think I should; you would have a very good profit to the Revenue by creating more silver coin.

16,466. Would the effect not be the same if you issued the notes without having silver against them, if you simply issued them without any precaution of that kind?—I should think, perhaps, it would; I do not know that, but I should think it is very likely.

16,467. And the advantage to the Revenue would be still greater, because they would cost you less?—They would cost less, I daresay. You would have some sort of security for them, I suppose. Do you not have security against the notes that are issued now?

16,468. That would raise the question whether in any case, gold being your standard money, you ought not to have gold as the security as a matter of necessity, and the silver would be a supplementary security—not precisely what was required?—If you are going to issue 1*l.* notes, and have gold as a security locked up against them, I think that would be of very little benefit.

16,469. I think Mr. Goschen's idea was to issue 1*l.* notes, and save some of the gold that would be set free by that means, but he thought he would set free some gold. The rise of prices that you have contemplated as being due to a change of money, would probably be a temporary rise, would it not—it would not last very long?—By the issue of those notes, do you mean?

16,470. No, by any monetary change whatsoever. Suppose you were to bring about a rise of prices, after a short time the effect would be completely felt, and you would have no further rise; is not that so?—I should say not; if you had plenty of the circulating medium going on in proportion to the extent of your business I apprehend that it would be a continuous rise.

16,471. Do you think that a continuous rise of prices extending over generations is possible?—No, not generations; I should not care about the generations to come; I want the present to be saved from ruin.

16,472. Still, you speak of a comparatively short period?—Yes.

16,473. I presume you attach much greater importance to a rise in agricultural prices, without a rise in other prices, than if the rise were to be quite general?—I should not object to a general rise all round on everything—I think most products are too low.

16,474. Would not the effect of that be that after a few years everybody would be exactly where they are now?—I think everybody who produced or paid wages would have more money in their pockets.

16,475. If the money had less purchasing power, where would be the advantage?—Because as a producer the commodity that you would produce, I apprehend, would be of a greater value than what you had to spend.

16,476. Then you expect the rise would not be quite general and uniform?—I think that in all probability the owners of gold, and the bullionists, and the bankers, and possibly the people who had fixed incomes, would fare rather worse, but anybody who employed labour or who was producing articles of agriculture or other products, I think would be benefited.

16,477. But after a short time there would not be room for a further improvement of that kind in the ordinary course of things?—I think it would be long enough to last my life, and that is one thing that I am thinking about more than anything else, I am sorry to say.

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16,478. The general effect of it then, as you describe it, would be to transfer something from the pockets of one man to the pockets of another, and that would benefit some people?—No, I say this: that the people who have got the money now have had a very unfair advantage, and that the money of the world has been contracted within the last few years.

16,479. You wish to give the other side a turn?—I do; and I think, what is more, that we deserve it as producers.

Compensation for home-grown produce.

16,480. (*Mr. Gilmour.*) Let us go back for a moment to that important question about the compensation for produce consumed on the farm itself. From your replies I take it that you consider the only safeguard for the landlord's interest would be the production by the tenant of properly authenticated accounts and farm books; you have not suggested, I think, any other way in which the landlords' interests would be protected?—I think that the foreman on the farm, and the labourers on the farm, if it were necessary, could give the required information which was not satisfactorily supplied by the books.

16,481. That would always be covered by what I have called properly authenticated accounts and books?—Yes, quite so.

16,482. Would you be prepared to consider that it should be a *sine quâ non* before a man was entitled to make a claim under that head, that he kept such books and such accounts, and that probably those books and accounts should be open to the inspection of the landlord or his agent whenever desired?—Of course they would not range over more than two years.

16,483. During the time for which compensation could be claimed—you must have a continuous state of proper book-keeping and farm accounts?—Yes. I quite agree that there should be these books kept, and that if they are not kept there should be no compensation. Whether it would be necessary for the landlord or his agent to look at them before the time I do not know.

Change in system of cultivation.

16,484. I was going to ask you if there were any new lines that you could suggest to the farmers in Norfolk whereby they might improve their position instead of the course they are following just now?—I have tried all sorts of changes myself, deviating from our usual course, and I have not found that they have prospered in any way except this, that I think we now have come to the conclusion that we might keep our lands down longer in grass seeds and by that means diminish the labour a little, and that we might keep more stock.

Horse breeding.

16,485. Norfolk has benefited by the demand for hackneys, has it not?—I think that there are a few real horsey men who have made a considerable amount of money by developing a better breed of hackneys, but at the same time there are enormous quantities of hackneys now in Norfolk that I am quite sure are of so poor a description that they will be a great drug upon the market very soon. Then there is also another thing with regard to the hackneys. I would rather sell 100 bullocks and 1,000 sheep than I would sell one hackney considering all the bother that it is to sell one hackney, and the time that it takes and the lies that have generally to be told in order to get a good price for a bad horse.

16,486. So that for the morality of the district, even, you would not encourage horse breeding?—I really would not. Not only that, but the young men take to these hackneys, and then they go all over the country to see what somebody else has got in that line, and it takes them off the farm, and I think that, as a rule, it has done almost as much harm as it has done good in diverting these young farmers particularly from considering bullocks and sheep and crops. A very interesting, and I do not doubt rather a fascinating, game is breeding hackneys.

The marking of foreign meat.

16,487. Turning to another subject, would you allow both home and foreign meat to be sold on the same premises if a man was licensed to sell foreign meat?—Yes, if he liked.

16,488. Do you think in that case that the licence would be a sufficient protection to the consuming public?—If, a man liked to go into a shop where there was foreign meat sold he must take his chance whether it is English or foreign; if he goes into a shop where

there is no such meat licensed to be sold he ought to get what he asks for, that is, English meat.

16,489. Has the Chamber of Agriculture in Norfolk that you are connected with considered the question of compensation for tuberculosis?—No.

16,490. Is it not a matter that has affected your part of the country then?—No, we do not seem to have much of it, or rather, perhaps, we do not know much of it. It may be there, you see, but we are not a breeding county, and, therefore, we do not take so much interest in it.

16,491. The question has not arisen at your fat stock marts, and carcases have not been confiscated afterwards?—I have never heard of one.

Value of land in Norfolk.

16,492. (*Mr. Little.*) You have given us some evidence on the depression in Norfolk as affecting rents, but could you supplement that by giving any evidence as to the decrease in the value of land for sale?—I should think the selling value of land has decreased from 30 to 60 per cent.; in some districts even more than 60 per cent.

16,493. More than the rent has decreased?—Yes, nobody seems to wish to buy any land. That is what I think is so extraordinary on the part of the British capitalist; that he will go and develop any rotten land scheme in the uttermost parts of the earth, and there is land here within 40 miles of London that is craving for capital, and he will not even look at it at the present depreciated price.

16,494. That is evidence of a want of confidence in the future?—Yes, I should think it is.

Farmers' expenses.

16,495. In answer to Lord Cobham you spoke of the increased expenses of the farmer: was that an absolute increase that you had in view or a relative increase—an increase in proportion to the value of the produce or an actual increase?—In proportion to the value of the produce I should say, rather than an actual increase. Of course with a man going into a farm at the present moment his capital would go further a good deal than it would some years ago, and we have also two or three very good pulls in the shape of having some artificial manures cheaper, and all of them much purer than they were years ago. We have also the great advantage of having healthy stock, very much improved by the legislation of the last 20 years.

Cost of labour.

16,496. If labour costs you, as it appears, 2*l.* an acre now when produce is worth only about two-thirds what it was, that 2*l.* is relatively a much greater sum?—Relatively it is.

16,497. The total sum paid for labour is about as much now as it was when wages were much higher—did I rightly understand that?—That is my experience, but on other farms I fear there is not so much labour employed as there was simply on account of the inability of the farmer to find the money to pay the wages.

16,498. But where the same amount of work is done, and where the farm is kept up to the same standard, would you say that about as much is paid for labour now as was paid when wages were higher?—I think so.

16,499. Does that not prove the increased cost of piecework?—It does.

16,500. Everything that is done costs more?—Yes.

16,501. I suppose the hours are shorter?—The hours are shorter.

16,502. And less work is done?—Less work is done.

16,503. Do you think that the earnings of the labourers, the annual earnings, have diminished to the same extent as their wages?—No, the price of piecework has hardly gone down at all.

16,504. You were asked about machinery having decreased the cost of labour?—It has not.

16,505. Is not machinery rather a necessity than an economy?—I do not think that machinery has decreased the cost of labour at all: it is an absolute necessity that you must have this machinery or you would not get the work done, and therefore, of course, it is a great advantage, but it is a saving of time and not of money.

16,506. The use of machinery means increased horse-power?—Yes, certainly.

16,507. It means increased tradesmen's bills?—Yes.

16,508. It means, also, rather higher wages to the skilled men who work the machines?—Yes.

16,509. And altogether you would not say that machinery has materially decreased the cost of production?—No, it has not decreased the cost of production, but it has made production easier because you can take advantage of time and weather.

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Labourers.

16,510. You spoke of a number of idle, unemployed young fellows, do you find an increased disinclination on the part of the labourers to regular employment and a preference for casual work at high wages?—No, I do not think I have found that; these young men are very ordinary labourers, as a rule.

16,511. But it is said that in some parts of the country the labourers generally prefer catch-work at high wages to regular work at moderate wages, but, apparently, that is not your experience?—No; our best labourers are always constantly employed, whatever weather it may be.

The Agricultural Holdings Act.

16,512. Upon the subject of the Agricultural Holdings Act I understand that you agree entirely with the principle of the Act, but that you would like to see some reform in the procedure and in the method of administering it?—Yes.

16,513. You said that only five per cent. of the tenancies in England at some recent date took advantage of the Act; that was a statement you quoted from "Bell's Weekly Messenger," I think?—Yes.

16,514. Do you think that is due to a preference for a simpler form of arbitration?—There are so many good tenant rights in different parts of England, and there are also so many excellent agreements at the present day that that may be one great reason why there are not more.

Claims and counter-claims.

16,515. I think you said that the landlord's counter claim was unlimited; it does not follow that a big claim is necessarily recognised?—Oh, dear no! Certainly not.

16,516. Then your meaning when you spoke of its being "unlimited" is that it frightened the tenant?—That is it.

16,517. The tenant is afraid to make a claim, because of the large claim that may be made against him?—I think it has been the general rule, that whenever a tenant has made a claim the landlord has made a bigger counter-claim.

16,518. Do you think that is a consequence of the landlord having time to consider the tenant's claim, and that it would be diminished by the claims being made simultaneously?—I am sure it would.

16,519. You told us that the notice of claim which you gave was not accepted, because it came too late, and that you had previously given a notice of claim; was your second claim an amplification of the first, or an entirely new subject?—It was an addition of some few tons of manure.

16,520. I think you said that the lawyer decided that eight weeks was not two months?—Yes.

16,521. Did this question come before the referee, or how did the lawyer come in?—The lawyer was the agent.

16,522. But was he the referee?—No.

16,523. Then I do not quite understand how the lawyer came in?—He objected, and the referee allowed his objection.

16,524. The umpire you mean?—The umpire.

16,525. Under the Act, the claim is to state the particulars and the amount of the claim, as far as reasonably may be?—Yes; I think it was a wrong decision, but it was a very trifling matter, so I did not trouble about it.

16,526. Then I think you said the landlord was allowed an indefinite time to make his claim, but is not the time limited to 14 days after the termination of the tenancy?—It may be by the Act, but it is not in Norfolk.

16,527. But it is by the Act, is it not?—I think you have told me so, but I did not know it.

16,528. You think that no injustice would be done by providing that both claim and counter-claim should be sent in 28 days before the termination of the tenancy?—I think that would be quite fair.

Payment of compensation.

16,529. Now as regards continuous high farming; does not the Act sanction compensation for any improvement of the kind that is of value to an in-

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coming tenant?—I do not think you will find it in the schedules.

16,530. No, but is it not an improvement; would not the Act sanction a higher scale of allowance to a man who had farmed well continuously, than to a man who had simply used cake and manure for a short time previous to quitting?—The Act might contemplate it, but it does not state it, and that is what I want it to do.

16,531. It would be quite in accordance with the Act if a higher scale of compensation was given where expenditure was judiciously and continuously made than where it was injudiciously or capriciously made?—Yes, I think it ought to be, but I am not aware that it is in the Act.

16,532. You are aware that some attempts have been made to grade farms, and to grade the compensation in respect of the cultivation; to give the higher rate of compensation to a first-class farm, and the lowest rate to the lowest class of farm in respect of condition. That would be recognising, to some extent, high farming and continuous good farming, would it not?—I was not aware that there was any grading in force anywhere. I think that our valuers now-a-days grade land in a way, and they say that manure which has been expended upon extremely light, friable, sandy soils is so soon exhausted that they do not allow for it more than one year, which I think is right.

16,533. I rather gathered that your opinion was that the same rate of compensation being given to a good as to a bad farmer on the same proportion of his outlay did not compensate the good farmer sufficiently and fairly?—I do not think it does.

16,534. But there is nothing in the Act to prevent a higher scale of compensation?—There is nothing to authorise it that I know of.

16,535. The principle of compensation is the value of the improvement?—Yes, but it is interpreted in Norfolk that those improvements must come under some schedule or another, and that there is nothing outside those schedules. It may be wrong, I hope it is.

16,536. I think you argued that compensation could not go further back than two years, is that in the Act?—Two years for manures, I think, is it not?

16,537. No, that was in the Act of 1875, which was repealed; compensation is not limited under the Act to manures for the last two years?—I think it ought to be in regard to transient manures.

Restrictions.

16,538. Then as regards restrictive covenants, would you say they are effectual in preventing what they were intended to prevent, the deterioration of the land?—Not in these times.

16,539. Where they are not observed they still press very hardly on an outgoing tenant sometimes?—That is about the only bother that they are to him, because he does not take much notice of them nowadays.

16,540. In the case of a tenancy ceasing unexpectedly by death, or by any other cause, the breach of an agreement may be made the subject of a serious claim?—It may, and it is.

16,541. Though you do not advocate legislation on this point you would like public opinion to be impressed with the necessity of giving up these restrictions to a considerable extent?—Yes, I would, and I do not think any money should be paid until it is proved that injury has been done.

16,542. Actual damage?—Actual damage.

16,543. That is the point I was coming to. If a farmer leaves his farm clean, and with good crops upon it, it does not matter, does it, how he has got those crops or how many of them he has had?—I think not.

16,544. So long as he leaves in Norfolk half the land in a fit state to grow a crop of corn and one-fourth in clean seeds, it does not matter whether these seeds have been down two years or whether a piece of barley has been grown after wheat?—I think it does with regard to old seeds, because there you have the fertility of the land very much increased for the succeeding corn crop.

16,545. Then I will not say it does not matter, I will say it does not damage the incoming tenant or the landlord?—Certainly not.

16,546. So long as the incoming tenant has half the land in corn and one-fourth in clean seeds he is not injure?—No.

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16,547. With regard to the valuation between the outgoing tenant and the landlord, you see nothing unfair in the incoming tenant paying for those things which he actually takes to?—No.

Payment by incoming tenant.

16,548. The hay and the roots?—Of course not.

16,549. Though they are called improvements by some they are entirely different from improvements of a permanent character?—Yes, they are actual crops.

16,550. The same with manures?—The same with manures.

16,551. The tenant can appropriate the manures in the course of a couple of years?—Yes, and he can consume the crops.

16,552. And there is no unfairness, therefore, in his paying for them?—Certainly not.

Land tax.

16,553. I think there is only one other question I want to ask you, and that is about the Land Tax, you suggest that the land tax should be given up to the counties; have you considered the difficulty that may be caused by a considerable amount of that tax having been redeemed?—I daresay there has been a great deal of it redeemed; but why I thought it was a fair tax was this: that, generally speaking, it is very much higher in the rural districts than it is in the densely populated parts of the counties. We in the rural districts do want some sort of subsidy from the Imperial Exchequer in aid of our rates, and, I think, that would be a fair one.

16,554. But suppose one county had redeemed all its land tax and another county had redeemed none, the one would have paid the land tax in perpetuity in a capital sum, and the other would have that tax remitted?—Yes.

16,555. That is an extreme illustration of the unfairness?—That is an extreme case; but with regard to the land tax, the owner of the land would still continue to pay the land tax, although he would pay it to the county instead of to the Imperial exchequer.

16,556. The county would be benefited where the land tax has not been redeemed?—No doubt.

16,557. Would not the same thing happen as between parish and parish; supposing the Land Tax were remitted in Norfolk, and half a dozen parishes paid a large amount and another half a dozen paid nothing at all, do you not think there would very soon arise a claim from the parishes which had paid the land tax for the amount to be spent upon them, and not put into the general fund?—No, I do not think that matters at all, because the man who pays the land tax now would still continue to pay it, and the other owner of the land, I suppose, would have redeemed it if there was no land tax in it.

16,558. (*Mr. Dalton.*) With regard to the land tax, is it your proposal that it should be handed over to the county council in each county?—Yes.

16,559. But apart from the question of redemption, the land tax is very high in some counties and very low in others, is it not?—Yes.

16,560. And not merely is it low in the thickly populated districts, but I see that in Cumberland it is ½*d.* per acre, while in Essex it is 11*d.*; so that it would work very differently in different counties?—Yes.

16,561. Apart from the redemption, when it was originally imposed in Cumberland, it was three farthings an acre, but it was 1*s.* 9½*d.* in Essex?—Yes.

16,562. You would be giving some counties a tremendous benefit, and others you would be giving practically nothing at all?—I think you would find, generally speaking, that the Land Tax is highest upon the ploughed ground, in Essex, Norfolk, Suffolk (the East Anglian counties), and some of the midland counties which have now suffered the most; and therefore, I think, it would be a slight compensation.

16,563. Do you know what it amounts to in Norfolk, per acre?—No.

16,564. About the same as in Essex, I suppose?—I should think it is something like 9*d.*, or something of that sort.

16,565. What is the county rate per acre—it is not so heavy as that, I suppose—it would kill the county rate, would it not?—It is not so heavy as that.

16,566. Then if you took it in Norfolk you would kill the county rate, and leave the County Council with a balance?—Yes, and they could soon find means of spending it by relieving other rates.

16,567. Is it desirable that they should?—I think there are a great number of things that we might very wisely do by means of the County Council, if we had the funds.

Deterioration in farming.

16,568. (*Mr. Lambert.*) With reference to your answer in reply to a question just now that tenant farmers usually farm badly at this present moment, or that at the end of their tenancies they leave them in an impoverished condition, do I understand that the amendments you are suggesting in the Agricultural Holdings Act would tend to remedy this state of affairs?—No, not at all; I do not think they would now, because farmers farm badly on account of their poverty, generally speaking; they do not farm with the idea of getting compensation when they go out at the end of the tenancy.

16,569. Are your amendments conceived with the idea that it should pay a man as well to leave a farm in a fertile, as in a foul condition?—Certainly.

16,570. And that is your object to restore the prosperity of the land in suggesting these amendments, or the fertility of the land, I will put it?—I want to keep it up, if it is possible, where it exists.

16,571. And that is your object in suggesting these amendments, to increase the fertility of the land?—Yes.

16,572. I think you have expressed the opinion that the present law is an incentive for the tenant farmer to leave the land in a foul, rather than in a fertile condition?—I do not say anything about the law; I say this, that it pays a man better to leave his land foul and impoverished than it does to leave it clean and fertile.

Payment of compensation.

16,573. I understand you to say that if a man leaves down grass, with a good plant, for two, or three, or four years, he should be compensated for it?—I think so.

16,574. Presuming that he utilised a water supply for watering a meadow, would you compensate him for that as well?—That is one of the improvements recorded in the Schedule.

16,575. And presuming that he planted fruit bushes, and had increased the lettable value of the holding, you would give him compensation for that as well?—Making market gardens, and planting fruit trees is one of the improvements, only it must be done with the consent of the landlord. It was thought that half an acre might be devoted to that without the consent of the landlord.

16,576. Presuming the landlord would not make these improvements, would you say that tenants should be compensated for making improvements which would add to the lettable value of the holding?—Yes, if they were real improvements, but a good many tenants who have money like to make improvements, or what they fancy are improvements, and they turn out failures.

16,577. But an efficient valuer would be competent to estimate the value of those improvements to the incoming tenant?—He might. But we will take the case of a man planting an orchard in a district which was incapable of producing good fruit, it would be very hard to ask anyone to pay, first of all, for what he did not want, and, in the second place, for what was of very little use.

16,578. My point is this: an efficient valuer, a man who knew his business, would not allow compensation for what was of little use, and which was planted in a spot not propitious for flourishing growth? — You might trust a valuer, I daresay, to do that, as a rule.

16,579. How would you arrive at the compensation to be paid to the incoming tenant by the landlord. Would you be in favour of a proposal of under certain sums, say 100*l.* or 200*l.*, to limit it to one valuer in order to save expense?—Yes, I think one valuer might cercertainly be employed if he was appointed by some authority if the two parties could not agree.

16,580. Would you be in favour of such a course as that?—No, I think not.

16,581. Not in the case of small claims?—I do not think there is any necessity to enforce it; generally speaking, it is the case now that only one valuer is employed on small holdings.

16,582. Do you think that the compensation for home-grown corn could be estimated by a competent valuer?—I think he could be satisfied that the corn had been expended, but I do not think he could estimate it.

16,583. I understand that you base your estimate of the improvements, or of the compensation to be awarded to the outgoing tenant, upon the value to the incoming tenant, and not upon the outlay?—Yes, in all things, except the manures and feeding stuffs.

16,584. I quite agree; I understand that; so that if a man improved the farm, the outlay on which cost him 100*l.*, but that was worth 150*l.* to the incoming tenant, and thereby added that amount to the value of the farm, you would give the outgoing tenant that 150*l.* although his outlay only came to 100*l.*, and *vice versâ* if the improvement was only worth 50*l.*, and the outgoing tenant had made an outlay of 100*l.*, you would only give him that 50*l.*?—Yes, I think that is fair, it is the increased value of the holding to an incoming tenant.

16,585. (*Viscount Cobham.*) Then the landlord would have no money interest in the improvement of his estate under that. Any improvement in the estate the landowner would have to pay for; that is what it comes to?—The landowner would have to pay for the improvement made by his tenant.

16,586. I only wish to make it clear that in that case he would have no money interest in his estate being improved?—The landlord would spend his own money to the best advantage that he could; but if he throws those burdens upon the tenant, and the tenant leaves them there, I think he ought to be compensated for them on leaving.

Tenants' capital.

16,587. (*Mr. Lambert.*) That is, a man should be compensated for the skill with which he makes an improvement?—Yes.

16,588. Have the tenants lost much capital in your part of the world?—Yes.

16,589. Now proportionately, which has lost the most, the tenants or the landlords?—Do you mean in capital?

16,590. Yes?—The capital being the value of the land.

16,591. And also the working capital of the tenant?—I should think the landlords have lost the most money.

16,592. In proportion?—Yes, in proportion. I think they have lost more money, but then they do not know what they have lost until such times as they sell their property.

Fall in prices.

16,593. How much has the agricultural produce in Norfolk that you usually produce, depreciated in price within the last 20 years?—I have just said that from the year 1874 wheat has gone down from 62*s.* 6*d.* to 25*s.* 4*d.*, and barley, I think, has gone down from 42*s.* a quarter to, I suppose, 25*s.*, or something of that sort now.

16,594. Are those your principal productions?—Those are our principal productions in the way of grain, and then, of course, we manufacture a large quantity of meat.

16,595. I want to know how much the whole of the produce that you would sell has depreciated in value, per cent.?—From the highest time to the lowest I should think 50 per cent.

Reduction of rent.

16,596. I think you said that rents had been reduced on an average 33 per cent.?—Yes, but that is really nothing more than a good guess. I have no means of proving it.

16,597. So that rents have not been reduced to the same extent as produce has decreased in value?—No.

Leases.

16,598. Do you consider leases as being advantageous, presuming the conditions are the same at the commencement of the tenancy—that is, that prices are the same at the commencement of the tenancy—as they are at the end?—They have been very conducive to the prosperity of the county of Norfolk; I should think especially on Lord Leicester's property and the other large properties where they have been common.

Notice to quit.

16,599. You would not think a six months' notice to quit from the landlord to the tenant would conduce to the increased fertility of the soil?—No.

The letting of farms.

16,600. What is the most lettable sized farm in your district?—It depends upon what the district is. If it is a light land district, the farms are large, and I do not see any chance of reducing them. I should think a farm of about from 200 to 400 acres is generally about a fair size.

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16,601. At present rents with a decrease of 33 per cent., how many applicants would you get for a farm, say of 250 to 300 acres?—It would depend very much upon whether there was a fair proportion of grass, whether you got any bid at all for it, and on the district in which it is, or its locality. I can give you a very good illustration. When I was a young man I know that Lord Leicester had a standing list of 300 good names for any farm that fell vacant, and now he has advertised some farms to let, and I believe he has had great difficulty in letting them.

Ground game.

16,602. Upon the subject of ground game, I understand you to say that it was impossible for a farmer to protect himself from the ground game which came out from a wood adjoining his field?—Yes.

16,603. Would you advocate an extension of the Ground Game Act, so as to give the tenant farmer a right to kill the ground game upon his holding exactly as he pleased?—Yes, I think so.

16,604. (*Viscount Cobham.*) Even then would he be able to keep them down?—No, he cannot. I do not see how, if you are to have hares and rabbits in a wood, and you have a piece of corn adjoining that wood, you can possibly kill all the hares and rabbits.

16,605. (*Mr. Lambert.*) You would give the tenant the right to kill ground game upon his estate just as he pleased?—Yes, I think I should, but at the same time if he had all those privileges he could not kill this ground game that came out of the adjoining wood.

The law of distraint.

16,606. The law of distraint, I understand you to say, is at present prejudicial to the farmer with capital?—I think so.

16,607. And it is preferable, of course, for a farmer to have capital before going into a farm?—Yes.

Management of estates.

16,608. You say something in your brief about the family lawyer. I wish to know what that means?—It used to be, generally speaking, on some estates that the family lawyer was invariably the agent of the estate, and he was the worse type of agent that you can imagine.

16,609. Are there many such agents now?—No, thank God, not many.

16,610. Then you also refer to young agents?—I mean young agents of this stamp. A young man goes to the Royal College for a year, and he learns chemistry and other kindred sciences; he then goes to a farmer——

16,611. (*Viscount Cobham.*) He is two years at the Agricultural College if he is to go through the course?—We will say he goes there for two years, or through the appointed course; he then goes to a farmer, and he spends the majority of his time in sporting and in attending to the usual routine of the farm, and then he blossoms into a full agent under some nobleman. I do not think, as a rule, they are very successful, that is all.

16,612. (*Mr. Lambert.*) Are there many such agents in your part of the world?—That is a new crop coming on, I think, rather than those that are there.

Mortgages and entails.

16,613. Have the landlords much property encumbered by mortgages and such like in your part of the world?—Yes, I fear there are. There are some very small farms encumbered. I might illustrate it by myself. I have inherited a small estate of 200 acres; that is entailed upon me as if I were a duke. I have no son I am thankful to say, but it is mortgaged for considerably more than it is worth.

16,614. And you think that the law of entail is prejudicial to the present owner?—It is in my case certainly, because I might have sold it when I came into possession of it, and I wish I could. But I do not think the law of entail as it affects the large estates has been otherwise than an advantage.

16,615. Why do you think it has been an advantage?—Because taking the county of Norfolk I do not hesitate to say that on the large estates there is more produce, the land is better farmed, and the buildings are better than they are upon the small estates.

16,616. Is that because the landlords have property other than that which they derive from the land?—I think not. I think, generally speaking, they are rich men, and can afford to develop their property.

16,617. It is possibly because the rents have not been increased in the same ratio as they have been upon the smaller estates?—I think that is very likely.

16,618. Do you think that many landlords, being encumbered sometimes, have the will but have not the means to carry out improvements?—Often.

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The middleman.

16,619. I am going to a different topic altogether now. Could you give us any estimate as to what profit accrues between the producer, that is the farmer, and the consumer upon beef and mutton and dairy produce. I will take beef first, if you please?—No.

16,620. You could not?—No, I could not. I believe that the middleman is essential, but I think he has stuck to a larger portion of the plunder than he had had any right to in the past few years.

16,621. Do you think that there is any hope for a project in the direction of bringing the consumer and the producer closer together?—It has not been successful in those cases in which I have tried it.

16,622. Why has it not been very successful?—I think, generally speaking, you cannot rely upon your supply either in quantity or in quality, and there is always sure to be a very large combination of the traders against any scheme of that sort.

Farming in Norfolk.

16,623. (*Mr. Everett.*) You heard, I think, the evidence given by Sir Gabriel Goldney yesterday, in which he said that farming in these days might be made to pay a very large return on the capital employed by the tenant. I gather from the evidence that you have given that you do not agree with Sir Gabriel, at least as regards Norfolk?—Sir Gabriel Goldney, I think, spoke chiefly of pasture land, where he had an opportunity of selling milk. I fancy that on farms of that description you may still make a profit, but that is a totally different thing from the arable lands of East Anglia.

16,624. The farmers of Norfolk, I think, are reputed to be amongst the most skilful cultivators in England, are they not?—We fancy ourselves so.

16,625. Even they have not been able to make a profit on their farms in recent years?—Certainly, not as a body.

The malt tax.

16,626. I think you very well remember the agitation which culminated in the repeal of the malt tax?—I do.

16,627. You personally took a very active part in it, I believe?—I am sorry to say I did.

16,628. I should, perhaps, hardly be wrong, if I said that that active part had a good deal to do with your being returned to Parliament the first time that you were returned?—I daresay it had.

16,629. You were, I believe, the first tenant farmer who was returned to Parliament in modern times?—Possibly I was.

16,630. You were returned against a member of the great family of Lord Leicester?—Yes.

16,631. I think, if I remember right, that the object of the repealers was the entire removal of taxation from the peoples' favourite beverage?—It was.

16,632. That was their object?—Yes.

16,633. They desired to clear the barley lands, which are practically the vineyards of England from all taxation?—Yes, that was our idea and our hope, which has been miserably frustrated.

16,634. And the transfer of the tax which Mr. Gladstone effected was accepted rather as a step on the road than as the final goal?—Yes, we thought it right to remove the tax from the raw material to the manufactured article.

16,635. And gave some chance of removing it altogether?—Yes, there has been a great boon—you must not forget that, to the labourers by their being allowed to brew without any duty at all, that has been a great relief in our part of the world where they do brew a good bit, especially in haysell, and in harvest.

16,636. And is much appreciated by the agricultural labourers in the Eastern counties?—Not so much as it ought to be.

16,637. It is in Suffolk?—I am glad to hear it, but our people do not seem to appreciate it as much as they do otherwise. I am sure every cottager ought to brew.

The malt tax and the price of barley.

16,638. You have been questioned by the Scotch members of this Commission in reference to the effect of the transfer of the duty from malt to beer, with a view to show that it has been prejudicial to the farmer. I have before me figures which show that wheat has

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declined in value since that time over 40 per cent.; that wool, I think, has declined 100 per cent., and live stock certainly 33 per cent., while barley has only declined 18 per cent.; would not that seem to show that there had been something in relation to barley which had stayed the fall in regard to it, instead of having accelerated the fall?—Yes, I think so. I think, as a farmer, that it was a right thing to transfer the tax from malt to beer; but I also think that one reason why it has not fallen in the same proportion as wheat is that a good many silver countries which can grow wheat do not produce any barley.

16,639. Still, wool has fallen more than wheat has, and live stock not quite as much as wheat?—Yes.

16,640. But more than barley a good deal?—Yes.

16,641. And they do not come much from silver countries, I think. As a fact, barley has fallen less than any other of our products, at any rate in the eastern counties?—Certainly, it is limited to the extent, I think, of growing the best milling barleys. You cannot grow it everywhere, and you can grow wheat apparently from pole to pole.

16,642. The point I want to bring out was that, looking at the movement of the prices of the different parts of the produce of the farm, it would look as though the change made in regard to the malt tax had stayed the fall in that particular part of our product, instead of having accelerated it, as the Scotch gentlemen appeared to think?—I do not think it has accelerated it at all, and I would rather fancy that it has retarded it.

16,643. As a matter of fact, we are getting a better price relatively for our barley still than we are for anything else on the farm?—Yes, you sell your barley at more per bushel than you do your wheat.

Beer.

16,644. You were saying that since the repeal of the malt tax the price of beer has not been lowered to the public, though the material of which the beer is made is much cheaper?—Yes.

16,645. Supposing that the entire control over licences were put into the hands of parish councils, cannot you conceive it likely that the parishioners would say to the publican: "Now, Mr. Publican, if you do not sell us "our favourite drink at a reasonable price as compared "with the cost of the materials from which it is brewed "we will transfer your licence to somebody else," and in that way would they not give effect to the cheapening of the price of the beer relatively to the cheapening of the material?—If you are going to give that power into the hands of village councils I daresay they would not be slow in exercising it.

16,646. Would not they very likely have something to say about the quality of the beer too if it were such as flew to their heads too quickly?—No. I do not know that myself. I believe that every labourer who goes to the public house likes to feel different after drinking a glass of beer. The table beer that we buy and get you might drink a gallon of before it would intoxicate you, I am sure.

16,647. The home made beer you mean?—Yes.

16,648. Do you not find that your labourers in Norfolk prefer the home-made beer to work upon rather than the public house beer?—I think they do to work upon, but if they are convivially inclined they prefer the public house beer.

Condition of agriculture before 1879.

16,649. Coming to the condition of agriculture, you had a great and long-continued prosperity in Norfolk in agriculture under Free Trade, had you not?—Yes; we have had our ups and downs, but we had a very good time of it about the year 1872 to 1879. I think we were very prosperous just then—and also, of course, during those dreadful wars which were raging all over the world we had the advantage then of enhanced prices.

16,650. You had good times from 1852 or 1853 to 1874 or 1875, had you not?—Yes, I think so.

16,651. On the whole agriculture was in great prosperity in the county of Norfolk then?—Yes.

The currency.

16,652. You have expressed to Mr. Chaplin the opinion that the expansion of the currency which resulted from the great gold discoveries had a good deal to do with that prosperity?—I think I may say I am sure of it.

16,653. What would be your opinion if better prices and agricultural prosperity returned again through another expansion of the currency; would the labourers be able to reap their fair share of the improved condition of the industry?—I have no doubt they would. We should be very glad, if we could afford it, to pay more now.

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16,654. What do you suppose, in round figures, at a rough guess, the total depreciation of the value of the county of Norfolk is as compared with 20 years ago; you have over 1,000,000 acres of agricultural land, have you not?—Yes.

Value o land in Norfolk.

16,655. Taking the losses in the value of the property of the owner, and the losses of the capital of the farmer as compared with 20 years ago, how big a sum do you think it would roughly run up to?—I should not like to say, but I fancy that if a valuation had been made 20 years ago we should pay about 10*s.* in the pound now if we were sold up.

16,656. The capital value in the county of Norfolk has gone down something like one-half then?—I do think so.

16,657. If that depreciation is largely owing to the appreciation of money brought about by law and not by nature, would there not be some equity in adjusting contracts fixed in money to the altered conditions by law too, such as mortgages and family charges?—I think that that is rather beyond me, if you do not mind my objecting to give an answer.

The Agr tural Ho ings Act

16,658. Then, turning from that to the Agricultural Holdings Act, you have expressed your opinion that a fixed description of a farm when entered upon would be an excellent thing to be kept for comparison when the tenant quitted?—Yes.

Valuatio

16,659. If that were done, and the principle were affirmed that a tenant should be entitled to any unexhausted value which he had added to the farm, would it not really be better that the amount of the value should be left entirely to valuers than to attempt to make a valuation by Act of Parliament?—I would rather have it so certainly.

The law distress.

16,660. (*Viscount Cobham.*) You said, I think, that the abolition of the law of distraint would press very hardly upon struggling farmers. I think that was your expression?—Yes, at this present juncture.

16,661. It would clear them away to a great extent?—I do not think that the landowners could give the credit that they do now.

16,662. Some of the witnesses that we have had before us said they thought that it would be a good thing because, owing to the reduction of competition and the consequent reduction of rents, men of capital would come in and take the vacant farms; do you agree with that view?—I do not know where they are to come from.

16,663. You think that the land would not be cultivated?—I think that the land would be mostly left in the hands of the owners at present prices.

Slaught of foreig cattle.

16,664. Do you think that if the live stock importation was stopped this country could eventually supply the lean stock required for our purposes?—What I feel as a winter grazier is this: that if I am exposed to all the benefits, or rather all the evils of Free Trade by having the meat here from every country under Heaven if I can by any possibility obtain cheap healthy stores from our own dominions, I do not think they ought to be excluded. I think the question you asked was: do you think if live stock were entirely excluded from coming into the country that we could breed enough?

16,665. Yes?—I should think we could eventually.

16,666. But not as cheaply as under the present system?—Not so cheaply as the Canadians have sent us at present, they are good well-bred cattle, better bred than the Irish as a rule, they are older, and they are cheaper.

Paymen compens tion.

16,667. I put it to you that under the suggestions that you have made to us landowners would not have much interest in the improvement of their estates because they would have to pay for all such improvements the full value, irrespective of whatever rent that they might receive from the incoming tenant?—My opinion is this: that the landlord ought to make all the permanent improvements on his property, and not cast that unfair burden upon his tenants. I believe that has been the source of almost all the evils in Ireland, that the landlord did not do his duty in the first instance, and make the permanent improvements If the tenant has made them, then I say he ought to be compensated; but I would not give him any particular advantage or inducement to make those improvements

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which I think ought to be made by the owner of the soil

16,668. But I am referring more to high cultivation and clean farming?—If the tenant has improved the letting value of the farm by those means, I think he ought to be compensated.

16,669. Supposing he has not improved the letting value; supposing, as a matter of fact, that on re-letting the rent falls?—I would put it rather in this way, that he has not decreased the letting value in these days—that he has prevented the decrease in the letting value.

16,670. You think that he should be compensated for that?—Yes; of course in olden time we always used to talk about the increased letting value, now we want to stop the decrease.

16,671. Of course if the fall of rents goes on as it has gone on, and at every re-letting the landlord has to pay a large sum for the mere maintenance of the land in a good condition, his funds will sooner or later come to an end; will not that be the case?—Yes; but I think the tenant farmer would come to grief sooner if he was not paid for what he had left behind him.

16,672. I am not disputing the equity of your proposal. I am merely trying to find out whether you see what the result will be?—I do not think there will be very much.

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16,673. You said that on the other hand the tenant should be fined for bad cultivation?—Certainly.

16,674. But in how many cases do you suppose the landlord would get an equivalent for the deteriorated cultivation of the farm from the outgoing tenant?—The landlord gets it now almost invariably by his agreement. His tenant never goes out but what there is the hay and the roots on the farm, and they are generally more than his rent, and he can deduct it from them.

16,675-6. Does the landlord from your experience as a rule get an equivalent set off against the manures, hay and so on, left on the farm?—The dilapidations of the tenant?

16,677. For the dilapidations and deterioration of the farm?—Yes, I think he does; but Mr. Simpson will tell you much more about that than I can. If there is any dilapidation on the farm it is generally taken off the hay and the roots.

(*See* Supplementary Statement subsequently sent by Mr. Clare Sewell Read, Appendix II.)

The witness withdrew.

Mr. W. T. Simpson.

Mr. William Thomas Simpson called and examined.

Mr. W. T. Simpson.

16,678. (*Viscount Cobham.*) I think you are an agricultural auctioneer and valuer in the eastern counties?—Yes, I am.

16,679. How long have you been in practice?—About 40 years.

16,680. Are you a land agent as well?—No, except for one small estate.

16,681. But you are a practical farmer I believe?—Yes.

16,682. How much have you farmed?—About 900 acres.

16,683. Up to now?—Yes.

16,684. Since 1861?—Yes.

16,685. Where is your farm?—At Attleboro' and Old Buckenham in Norfolk.

16,686. In central Norfolk is that?—In 'mid-Norfolk, 15 miles from Norwich, equi-distant between Norwich and Thetford, on the Cambridge line.

16,687. Is that farm a fairly good representative Norfolk farm?—It would be better than the generality of the Norfolk farms; it is a better quality of land.

16,688. Do you farm it as a tenant farmer?—Partly as tenant and partly as owner.

16,689. How much of each?—Two-thirds as tenant and one-third as owner.

Profits from farming, 1861-79.

16,690. Could you give us your experience of farming since you have had the farm?—From 1861 to 1879 I found it a fairly remunerative occupation; that is to say, I put 10,000*l.* into the two farms that I hold, and from 1861 up to 1879 I got an average interest on my capital of 8½ per cent.

16,691. After paying the rent upon the whole?—After charging myself with rent.

16,692. Was your farm to some extent of a special character, that is to say, did you work it into your business as an auctioneer?—No, I kept it entirely distinct as a farm. I have a separate banking account for it, and I have kept it entirely independent of my business.

System of cultivation.

16,693. What has been your system of cultivation?—The Norfolk four-course system.

16,694. How much permanent grass have you on your land?—I would rather refer to the 470 acres, my home farm, if you will allow me to do so.

16,695. Yes?—400 acres of that is arable and 70 acres pasture.

16,696. Is the whole of that rented?—It is partly my own property and partly rented.

Profit and loss account.

16,697. What has been your experience since 1879?—If you will allow me I will take from 1884 up to 1893—that is up to last year; my experience for the last 10 years is that I have made a total loss of 460*l.* on the 10 years without charging any interest on capital.

16,698. After charging rent?—Charging rent, but no interest on capital.

16,699. Has the loss been fairly consistent since 1884, or has it been on an increasing scale?—For the year 1884 I had a profit of 71*l.*; for 1885 I had a loss of 201*l.*; for 1886 I had a profit of 386*l.*; for 1887 I had a profit of 186*l.*; for 1888 I had a loss of 63*l.*; for 1889 I had a profit of 105*l.*; for 1890 I had a loss of 181*l.*; for 1891 I had a loss of 63*l.*; for 1892 I had a loss of 450*l.*; and for 1893 I had a loss of 250*l.*

16,700. (*Mr. Everett.*) And you have not charged interest in that case, I understand?—No interest on capital has been charged.

16,701. You have put so much money into it?—Yes, I have, but as I say, no interest is charged.

16,702. (*Mr. Little.*) Are those figures based upon a valuation each year?—Yes.

16,703. A valuation of the stock at market price?—Yes.

16,704. (*Sir Nigel Kingscote.*) Both live and dead?—Yes.

16,705. (*Viscount Cobham.*) So that in the best year you have had since 1885 you only made 386*l.*?—Yes, that is the best year.

16,706. And on the worst year you lost considerably more than that?—Yes. I think I have told you that from 1861 to 1879 my interest on capital was 8½ per cent. as a profit.

16,707. To what do you chiefly attribute your farming losses?—To reduction and depreciation in prices.

16,708. Of all prices?—On corn more particularly.

16,709. Is your farm chiefly a corn-producing one?—Yes, and it is good corn land. I can give you an instance of one of the best years—1873. My corn realised then 3,247*l.*

16,710. (*Mr. Little.*) That would not be on the 470 acres, would it?—Yes.

16,711. On the 470 acres alone?—Yes.

16,712. (*Viscount Cobham.*) How much per acre would that be?—On that farm there are 400 acres of arable land which have been farmed on the four-course system usually, but that year I grew 250 acres of corn and seeds. The profit on the stock, allowing for the amount made more than the cost, was 2,236*l.* The total receipts for the year 1873 were 5,890*l.*, as there are other items besides the corn sold off.

16,713. What was your per-centage of profit that year?—The profit that year was 1,020*l.*

16,714. Something more than 10 per cent?—Yes.

16,715. Was that your best year?—That was my best year.

16,716. (*Mr. Dalton.*) How much capital is on this particular farm?—6,000*l.*

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16,717. (*Viscount Cobham.*) From your knowledge of Norfolk farmers what should you say has been their experience over the same period of time?—Very similar, except that many of the Norfolk farmers not having the capital, and they could hardly make as good a return as I have done myself. Mine is fortunately not borrowed capital, so I have had no interest to pay.

Witness's farm compared with Norfolk farms generally.

16,718. I suppose your rent has been diminished to meet the depreciation?—The rent has been diminished from 37*s.* 6*d.* per acre to 25*s.* per acre.

16,719. Which is still a high rent for Norfolk?—It is tithe free I may tell you

16,720–1. But it is a high rent for Norfolk?—Yes, but not for my parish. I happen to be in a very good parish where the land is considered better than it is in many districts, and 20*s.* to 25*s.* an acre would be a fair average rent.

16,722. Does it compare favourably with Norfolk generally in its ability to carry permanent pasture?—Yes, but my experience is that on good land I can carry more stock by land that is cultivated than on permanent pasture. Our rotation of crops, roots, hay, and corn enables me to carry more stock than I should do if that land was all pasture and thereby to make a greater return.

Reduction of rents.

16,723. How much have rents fallen generally? Mr. Read said 33 per cent. Would you agree with him in that?—From 30 to 50 per cent. and in some cases more than 50 per cent.

16,724. Could you not state it more closely than that as an average? Mr. Read's average was 33, I think?—I should think he was quite within the average. I should say they have fallen to a greater extent.

Position of landlords and tenants.

16,725. What is the position now of landlords and tenants respectively?—It is a very bad position, the landlords and the tenants both are in a much worse position than the outside public are aware of.

16,726. Do you confirm everything Mr. Read said on that point?—I do. Only those who are behind the scenes know the position in which many of the Norfolk farmers are at this moment.

Value of land in Norfolk.

16,727. I think he said that the selling value of agricultural land had fallen even more than the rents?—I can give you a little idea of the value of agricultural land at the present time in Norfolk. I have been within the last six weeks over a farm of 500 acres, good strong land, corn-growing land. I went to advise the mortgagee, it being mortgaged for 13,000*l.* The present annual value of that farm is 15*s.* per acre—which makes an annual value of 375*l.* which at 20 years' purchase—the largest number of years I dare take such land at at the present time. That makes 7,500*l.* as the value at which I estimate that 500 acres now which is mortgaged at 13,000*l.* and which cost 16,000*l.* thirty years ago.

16,728. Have you any other case that you could quote?—I have a case of 1,400 acres of very good land, well cultivated, which cost, including improvements, 25,000*l.* 25 years ago. My valuation upon it at the present moment is 30,000*l.* The present value is about 30,000*l.*, and at that low figure it is practically unsaleable.

16,729. Is that mortgaged?—It is mortgaged.

16,730. For more than 30,000*l.*?—It is mortgaged for more than 30,000*l.*

16,731. And you consider it absolutely unsalcable?—It is unsalcable at the present moment; no one will look at land now.

16,732. Is it a good property for shooting?—It is not a sporting property, there is on that farm a grand herd of cattle, a fine flock of sheep, a good stud of cart horses—in fact everything is good, and everything possible has been done to make it pay.

16,733. Are the buildings in good order in each case?—The buildings are all that is required for the occupation.

16,734–5. (*Mr. Everett.*) Has it been occupied by the owner?—Yes.

16,736. (*Viscount Cobham.*) Do the mortgagees generally carry it on in the hope of better times, or do they sell?—I am advising the mortgagee in this particular instance, and I have advised him to carry it on, that is, to assist the owner by reducing the rate of interest—it was 4 per cent.—to 3 per cent.

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16,737. Although his security has so much deteriorated?—Yes; but I consider it for his advantage to assist the owner if possible to keep on in the hope of better times, hoping that there will be a chance that prices will revive.

Mortgaged land.

16,738. Is there much land in Norfolk in the hands of mortgagees?—It is in the hands of owners who have mortgaged; I would not say it is in the hands of mortgagees.

16,739. Do you not know of any cases where the mortgagees have entered into the land?—Here and there a case. But generally the mortgagees will not farm the land, but will sell at any sacrifice rather than farm it.

Effect o the depres.

16,740. Have you observed much difference between the incidence of the depression upon large and upon small farmers?—I think it presses all round; every farmer is affected by it, large, small, and medium.

16,741. As to occupying owners, have they suffered less or more?—The occupying owner has decidedly suffered more than anyone. He has had not only to bear the depreciation in the capital value of his land, but he has had to keep up repairs, and he has also suffered from the unprofitable farming of the land.

16,742. Have most of them gone to the wall?—Many have.

16,743. Have they sold their properties?—Some have sold and others are holding on by sufferance, by the mortgagees holding back and taking a lower rate of interest. I could also state an instance out of my own county; Mr. Little would possibly know the country. I was over a farm in Lincolnshire last week, consisting of 350 acres of land, which cost in the year 1876 about 22,000*l.*, a rate of about 63*l.* an acre. That farm was mortgaged for 18,000*l.* at that time, and I am afraid the present value would not be more than 12,000*l.*

16,744. Is that the case of a small property?—That is a farm of 350 acres.

16,745. Was it in the occupation of the owner?—It is in the occupation of the owner. It is fine fen land; good fen land.

16,746. I have been asking you chiefly with reference to Norfolk, but do the answers you have given apply generally to the eastern counties?—I think so.

16,747. Including Lincolnshire?—I think so. I will not say that I am an authority on Lincolnshire, because I have not been so much into it, but, generally, my answers apply to the eastern counties.

Dairying.

16,748. There are a certain number of dairy farmers who have done better, are there not?—We have very little dairy farming in Norfolk, we have so little pasture land.

16,749. But what there are they have done better?—Yes, those living near a town where they have a sale for their milk have stood their ground very fairly, and again the large farmers where they have kept a good herd and bred their stock sheep and horses have fairly stood their ground.

16,750. But they are the exceptions, are they not, in the eastern counties?—Yes, they are the exceptions.

Sheep breeding.

16,751. In what part of the eastern counties do you find farmers who have reared and bred their own stock?—There are a few spotted here and there all over the district. Where there is sufficient grass land, to enable a man to keep 30, or 40 cows, he goes into dairying and breeding. But there are very few farmers of that description in the eastern counties. It is principally arable land. In the county of Suffolk I have had considerable experience; I know a small farm of 200 acres in the neighbourhood of Halesworth, strong corn-growing land, which cost 4,000*l.* I was asked if I could sell it; my reply was yes, if you will take 7*l.* or 8*l.* an acre for it—that would be 1,500*l.* I would not advise my client to go to the expense of a sale unless he was prepared to take 1,500*l.* for what cost 4,000*l.*

Value of land in Suffolk.

16,752. Is it an ordinary arable farm?—It is a heavy land farm with a fair proportion of pasture upon it. It is a very strong land, very similar to a good deal of the Essex heavy land. The owner consulted me upon it. He said, "Am I to let it, or what am I to do." The original rent was 200*l.* a year. Two men failed in it. It then fell into the owner's hands, and I advised him to take 50*l.* a year rent rather than farm it himself. He is taking now 50*l.* a year for the 200 acres of land, tithe free. The tithe at the present time at the reduced

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value is 27*l.* 10*s.*; the land and property tax and other expenses, including repairs, average about 22*l.* a year, so that the owner really on this particular farm has worse than nothing—he is out of pocket, he is a loser, and now wishes it had been sold at 1,500*l.*

Wages.

16,753. He could not get it now?—I do not believe it is saleable.

16,754. Have the labourers shared in the general depression?—Not so much. I do not think they have felt the pinch so much as the landlord and the tenant.

16,755. Compared with 10 years ago have wages been maintained?—Fairly; they are not so high as they were. In 1873 we were paying 13*s.* a week, now we are paying 10*s.* and 11*s.*

16,756. Could you give us the figures of your labour bill for the last 10 years, taking two or three selected years?—I have the figures here as far back as 1867.

16,757. Just tell us what it was in 1867?—My labour bill in 1867 on 470 acres of land was 887*l.*

16,758. What was it in 1873?—1,152.

16,759. What was it in 1879?—1,045*l.*

16,760. What was it in 1884?—1,016*l.*

16,761. And what was it last year?—It amounted to 860*l.*

16,762. (*Mr. Little.*) The figures for 1892 will do?—They amount to 953*l.* In 1891 the labour bill was 948*l.*

16,763. (*Viscount Cobham.*) Is it about the same now?—It is about the same, I cannot keep it down; we are paying the same rate of wages—that is 11*s.* per week.

Labour.

16,764. Do you employ about the same amount of labour?—Yes, I cannot do without labour.

16,765. Have you to employ men to a greater extent than you did, owing to the women and children being less available?—Yes, we have no female labour now and no boys; we are obliged to employ men to do what formerly we could get done by women.

16,766. So would you say that the labourers generally have lost the earnings of their wives and children, but nevertheless they have not lost on the whole?—They have lost the labour of their wives.

16,767. But they are in as good a position?—The necessaries of life are so much cheaper. The rents are comparatively low, and they have many advantages.

16,768-69. On the whole their condition has improved then?—The labourer's condition has improved; he has not felt the pinch except in the heavy land districts this year, where there have been a great many out of work. Generally the agricultural labourer's position has improved, and his general tone is better.

16,770. But as a working machine has he improved?—No, I cannot say that; I cannot say that he is of so much value to us; we do not get so much for our money now as we did 20 years ago.

16,771. What is that owing to?—I think there is less inclination to work; they have shorter hours; you cannot get them to work so long as they used to do.

16,772. Their physique has not fallen off, has it?—No, I think not.

16,773. Their intelligence, presumably, ought to have been developed since 1872?—They get less fond of manual labour and hard work.

16,774. More unsettled?—Yes.

Uncultivated land.

16,775. Do you consider that in the poor land districts they will be permanently out of work—is the land going out of cultivation?—Yes, the land is going out of cultivation; more land is laid down to grass. In the light lands hundreds of acres are going out, and that must decrease the labour required.

16,776. Will those lands carry grass?—For two or three years we let them lay as long as possible; we break it up again and take a crop, and then lay it down again. By that means we decrease the manual and horse labour upon it—we can do away with a team or two of horses.

16,777. Very little land has actually gone out of cultivation in the eastern counties that you are speaking of, I understand?—Yes.

16,778. You are not speaking of Essex?—No, but of Norfolk and Suffolk.

16,779. Within the district you know best you know of little land that has gone entirely out of cultivation?—Not entirely out of cultivation.

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16,780. I suppose you know of a good bit of land that has been reclaimed, and which is not now paying the cost of reclamation?—Thousands of acres were broken up in the times of high prices which are now not paying the cost of cultivation.

16,781. And a certain amount reclaimed from the sea?—Yes.

16,782. There is no encouragement to do that now?—Not at the present time; it would not pay the cost of the reclamation.

16,783. Is sainfoin much used?—In certain districts on the chalk subsoils.

16,784. Do you leave it down?—We leave it down for two years.

16,785. Not more?—Not often longer than two years. The land gets foul if you let it lie longer.

Changes of tenancy.

16,786. Have changes of tenancy been frequent?—Not so frequent within the last two years. Landlords will do anything now rather than lose a tenant. They will take any rent that a good tenant will offer them rather than have the farm thrown on to their own hands.

16,787. But earlier during the period of depression I presume many farmers who had lost all, or almost all their capital had quitted their farms?—Yes, the weakest are gone.

16,788. Who have taken their places?—The landlords in a great many instances—in most.

16,789. Not many strangers?—No.

Immigration of north country farmers.

16,790. Any Scotchmen?—We find that the Scotch are coming in, and from Northumberland and Cumberland have now been introduced.

16,791. Have they done pretty well?—I can hardly answer that question. They are men who come determined to make a living by hook or by crook. They do what many of our Norfolk farmers are now compelled to do, assist with the dairy, poultry, and in other capacities.

16,792. They have not taken the larger farms, I suppose?—Not generally; but we have a few instances where they have taken large—sheep farms.

16,793. Is the growing of wheat diminishing?—Considerably.

16,794. Have barley and oats taken the place of it?—Yes, and permanent grasses.

Technical instruction.

16,795. Has the County Council done much to improve the education of the farmers or of the labourers?—It has not done much at present, and I am sorry to say that the labourers, as far as my own district is concerned, do not appreciate the advantages offered. It is with the greatest difficulty that we can get them to attend the lectures and dairy classes. We find that the farmers' daughters are much more willing to attend and to seek information than the labourers' daughters or the wives. We have to beg them to come to the lectures, and many of them make a great objection to it. They say that they know quite as much as they can be taught.

16,796. Are the principles of agriculture taught in the elementary schools?—No, they have not been.

16,797. You do not find that the labourers generally are taking a more intelligent interest in their work, do you?—Not at all.

16,798. Rather the contrary would you say?—My experience is that the more they are educated the less anxious are they to stick to agriculture.

16,799. Even if they are educated in agriculture?—They have not been educated in agriculture. We find now that all the more intelligent, both lads and girls, so soon as they have received an eduction go away. The better lads get appointments as clerks at the railway stations, for instance. Everything in their education tends to lead them away from the land, and they dislike the drudgery of farm work.

Foreign competition.

16,800. To what do you mainly attribute the great depression of agriculture in the eastern counties?—To foreign competition.

Bad season.

16,801. Wholly?—Principally; I think that in the last three years—the seasons—have had something to do with it; but mainly it is due to the decreased value of what we produce.

16,802. You would not go so far as Mr. Read did in attributing a good deal of the depression to the bad seasons, would you?—It is partially owing to that.

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16,803. He said as far back as 1874, I think?—We have not had bad seasons ever since then. We have only had three really bad seasons, and those were during the last three years. You cannot put it down to that; it is mainly owing to the decreased value of what we grow. For instance, 20 years ago land of which we could make 10*l.* or 12*l.* an acre for our crop, we have now hard work to make 5*l.* or 6*l.* off; the value of an acre of corn now is not more than 50 per cent. of what it was 10, 20, and 30 years ago.

Foreign competition.

16,804. Have you any suggestions to make with regard to the effects of foreign competition and the diminution of prices thereby caused?—I cannot see any remedy for it, but that for which we are not prepared, or the country is not prepared. We cannot protect our corn more than we protect anything else, and I see no remedy for it except in decreased cost of production; and in hoping that some of the burdens may be removed from the land, or if they are not removed, that they will not be increased. I feel that under the recent legislation—the Parish Councils Bill for instance—the expenses on the land or the rates will be higher instead of lower. There is very little doubt that the Parish Councils Bill which has now passed will increase our expenditure.

Rates.

16,805. At present, have the rates been fairly stationary?—They are not so high as they were 20 years ago. The poor rate is reduced.

Effect of the depression.

16,806. Owing to the depression there has been, of course, a largely diminished production?—Yes. The general production of the land has diminished, owing to the farmer s incapability of properly stocking and farming his land.

16,807. Owing to the great loss of capital, would you say, that he has sustained?—Yes; very many farmers now are in the hands of the dealer.

16,808. Are the new tenants that come in equally short of capital?—There are very few new tenants to come in. We do not find fresh blood come in at all; we find that the larger farmer now is falling back on a smaller occupation, and that the large farms are going into the hands of the owners.

Security of tenure.

16 809. Do you believe that the diminished production is at all owing to any sense of insecurity on the part of the tenant?—I do not see what better security he can have than he has now.

16,810. Is that the view of the tenant farmers themselves?—The tenant's fear is this, that prices should become lower than even they are now. He says "When are we coming to the bottom?"

16,811–12. But you do not think that they are really afraid of their improvements not being compensated for?—No; a farmer is fairly safe under the Agricultural Holdings Act, and under his lease or agreement I do not see what better security a farmer can have than he has at the present time.

The Agricultural Holdings Act.

16,813. Most properties in Norfolk are under the Agricultural Holdings Act, is not that so?—Every farm is under the Agricultural Holdings Act if a tenant thinks proper to put the Act into motion.

16,814. Have many claims been made?—Not very many.

Valuation.

16,815. Have you had considerable experience as a valuer under the Act?—I have.

16,816. How do you think it works?—I think where land is fairly farmed, where a tenant has done his duty to the land and to himself, that the Act works fairly.

16,817. Have many claims come from tenants who have farmed badly?—Tenants generally consult their professional man, their valuer. For instance, if a tenant came to me—(I have had three or four this year)—and said, "I want you to value for me because next "Michaelmas, I am going out, and I mean to make a "claim under the Act." My reply is, "Wait; you will "not make your claim till two months before the expi- "ration of your tenancy. Before you make your claim "I shall be pleased to visit your farm to look it over "to see the state and condition, and you must have "ready for me a statement of your last three years' "expenditure on cakes, manures, and feeding stuffs "on which you expect to be paid. I will then give "you my opinion whether it is desirable for you to "make out a claim or not." After my visit I can tell whether he has any chance of benefitting by making a claim.

16,818. Have you had much experience of claims?—I have had great experience in claims.

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16,819. That have been made on insufficient grounds?—I have as umpire.

Claims an counter-claims.

16,820. Do you think tenant farmers have an undue fear of counter-claims?—No, I do not think so at all.

16,821. Do you think where they are afraid of counter-claims that they have very good cause to be?—Yes. No man need fear the Act if he has been farming properly and doing his duty.

16,822. Would you amend the Act so as to make these counter-claims more precise?—Certain amendments are desirable. The great difficulty that we find in the counter-claims is to interpret the word "waste." The valuers in Norfolk have interpreted it to mean that waste shall include anything that is detrimental to the next tenant; that is to say, if a man leaves his land very full of couch grass, and he charges for the manure that has been put on to that land, a counter-claim is made therefor.

16,823. With regard to damage or neglect of buildings, what do you do?—The neglect of buildings comes in under a lease in nine cases out of ten. A tenant is bound either to pay half the labour or, as is the case in many instances now, the landlord does it all himself, so that a tenant has very little to fear on that ground. A man hiring a farm now will not agree to do anything to the buildings, he makes his landlord do it all; but where a man 20 years ago signed a lease agreeing to pay half the repairs, he is bound (whether he makes a claim under the Act or not) by that condition at the end of his lease.

16,824. Do you consider that the counter-claim should be made on the same day as the claim?—No. I think that the time named in the Act—the two months' previous notice—is fair for the tenant, and that a landlord should make his claim within a month of the receipt of such claim. I cannot go so far as Mr. Sewell Read, who said that the landlord must make it on the same day.

16,825. Do you think that if the counter-claim, was made on the same day the landlord, who would know the amount of the claim, would probably make a larger counter-claim than he otherwise would?—The landlord is guided by his valuer in this.

16,826. And he certainly would make a claim, whereas, at present, perhaps, he would not make any?—It is done in this way, as Mr. Read said, to bounce the tenant out of his claim; the opposing valuer will say, you have claimed 100*l.* on this farm as compensation, and will endeavour to make counter-claims greater in order to induce the tenant to withdraw his claim.

16,827. Do you think that is very much the case?—I daresay there are cases of that sort. I do not look upon it as a grievance myself, because we have always the umpire to fall back upon.

16,828. Do you know of large counter-claims being made, and of very little being awarded under them?—Yes. I have had experience in that way. I have had large counter-claims and given very little for them. On an estate in Cambridgeshire, last October, I was acting for the tenant on one farm and for the landlord on the other. I can give you the two instances. On the one farm of 370 acres a claim was made for 275*l.* 10*s.* 6*d.*, spent in cake during the last year of the tenancy. Under the rules which we, the eastern counties' valuers, act, we allow one-third of the cost of the cake consumed during the last year. In this instance I allowed a third of the cake—91*l.* 17*s.* The other feeding stuffs consumed on the farm were 40*l.* 5*s.* 6*d.*, for which one-sixth was allowed, amounting to 6*l.* 14*s.* 3*d.*

16,829. Under the rules?—Under our regulations. The cake consumed in 1891–92, that is the previous year, cost 386*l.* 15*s.* 6*d.*, and for that we allowed one-twelfth, namely, 32*l.* 4*s.* 7*d.* I may tell you that this land is not what we call very retentive; it is chalk subsoil. If the land had been more retentive we should have allowed a sixth part instead of a twelfth. The nature of the soil is taken into consideration; some lands retain the manures and the benefit of what is put into them more than others; for instance, a heavy clay soil retains it, but on a gravel or a sand it percolates through the soil, and on that class of land we only allow the unexhausted value for one year—the last year.

16,830. What was the general result of the arbitration?—The general result was that the claim made

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upon me was for 130*l.* 15*s.* 10*d.* I, on behalf of the landlord, claimed for 60 acres of very foul wheat stubble, 37*l.* 10*s.*; I claimed a manurial value on 10 tons of wheat-straw sold off, 6*l.* 5*s.*, and for 4 tons of hay sold off for which no return had been made, 5*l.*—that is the manurial value only, and for repairs which the tenant was bound to do under the lease, 23*l.* 7*s.* 9*d.*, making the total counter-claim 72*l.* 2*s.* 9*d.*, leaving a balance due to the tenant of 58*l.* 13*s.* 1*d.*

16,831. Was that all allowed?—That was all allowed independent of his tenant right including hay, roots, and other items according to lease.

16,832. Would the tillages and the crops come under the custom?—Under the custom or under the lease in all cases. Every county has a custom of its own, or nearly so.

16,833. Could you tell me the cost of these proceedings?—About five guineas to each side. On the next farm, 750 acres, I was the seller—I claimed for the consumption of cake for the year before last, that is for 1891–1892, 700*l.* 5*s.* 9*d.* I asked and I got one-twelfth of that amounting to 58*l.* 7*s.* 1*d.* For the year 1892–93, the last year of the holding, the cake and beans consumed cost 744*l.* 19*s.* 1*d.* for which I claimed 248*l.* 6*s.* 4*d.*, one-third. For lamb food consumed on the same farm, one-sixth the cost, 11*l.* 9*s.* 2*d.*; for oats fed to sheep, cost 150*l.*, one-sixth allowed, 25*l.* The total claim was 343*l.* 2*s.* 7*d.* on 700 acres of land.

16,834. What was awarded?—The counter-claim which I was bound to allow for the foul state of a certain wheat stubble was 23*l.* 2*s.* 6*d.*; for half cost of thatching a barn, 3*l.* 15*s.* 0*d.*; for general repairs, 23*l.* 2*s.* 0*d.*; for repairs to a mill which was attached to the farm, 25*l.*; and for clearing out a mill stream which had not been cleaned for 20 years, 25*l.*; making a total counter-claim in round figures of 100*l.* I got for my client 243*l.* clear as compensation for his improvements. I can quote one other case near Norwich. The claim in 1892–3 was for 39 tons of oil-cake costing 266*l.* 7*s.* 6*d.*, one-third was allowed namely 88*l.* 16*s.* 0*d.*, and for 15 tons of lamb food costing 92*l.* 10*s.* 7*d.*, for which one-sixth was allowed, namely 15*l.* 8*s.* 4*d.*; and for the cake consumed in the previous year one-sixth of the cost, 49*l.* 18*s.* 4*d.*, making a total claim of 154*l.* 2*s.* 8*d.* This was a very nice farm and had been well-cultivated, and no counter-claim was made.

16,835. Have you any objection to putting in those regulations of the Norfolk valuers?—Not at all. Here is a print of them (*handing in print*). (*See* Appendix III.)

16,836. Do you frequently act for tenants as well as for landlords?—Yes, quite as much on one side as on the other.

16,837. Have you any amendments to suggest in the Agricultural Holdings Act?—The only amendments are those I have suggested, namely, that the landlord should be bound to make his counter-claim within one month of the determination of the tenancy instead of 14 days after. My reason for wishing that is that if a tenant is aware of what his landlord demands, that gives him the opportunity of rectifying those complaints. If he had left a certain piece of wheat stubble very foul he has the opportunity of cleaning it before he leaves, or he has the opportunity of repairing a fence and doing certain repairs to the premises. But if he does not know of the landlord's claim until 14 days after, which is very frequently the case, then he has not the opportunity of putting those matters right. It would give the landlord and the tenant an opportunity of agreeing together without going to arbitration at all.

Compensation for home-grown produce.

16,838. Have you any other amendments to suggest?—The home-grown corn ought to be allowed. At the present low price we find it advantageous to grind wheat, barley, and other corn, instead of using so much cake and foreign productions.

16,839. How can the amount so consumed be ascertained?—It can only be ascertained by an account of it being kept regularly. It might be checked by the miller's book, or if ground upon the farm an accurate account must be kept.

16,840. But you must have some check upon the farmers' claim?—We must have some check upon it. I advise all my clients, if they intend to make use of the Act, to enter in a ledger a debtor and creditor account against their stock.

16,841. Still that is only the statement of one party?—Yes; one must rely upon his statement to a certain extent.

16,842. But how can you check it?—We can only check it by going through the number of stock kept with the bailiff or with the men who feed the stock. Of course there are difficulties.

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16,843. How far back would you go?—We go back for three years. We take a three years' average, as you will find by that print of our rules.

16,844. You will have to check the man's account of feeding in that way for the last three years?—Yes, if we have any doubt. There is a difficulty in it. It entails a great deal more work on the valuer; but it does seem hard that a man should not be able to use his own corn and to charge for it. The difficulty can be got over by exchanging or buying of your neighbour, and that is what we must do if the Act is not amended. Or we can sell to the merchant and buy it again.

16,845. Do you think you can have any better system than a basing of compensation upon actual outlay?—We cannot see the improvements. We cannot see what is in the land, so I do not see what other basis we can take but the actual outlay.

16,846. You do not agree with the suggested amendments of the Act that have emanated from the Norfolk Chamber of Agriculture, I understand?—I do not agree with all of them.

Compensation for high farming.

16,847. Such as compensation for high farming and clean and good cultivation?—I do not see how it is to be ascertained. It would be very good if you could carry it into practice, but that is impossible. So far as I can see, you must go on to a farm and take the condition and state the farm is in. But what is the necessity for it? A farmer now comes to you to hire a farm; he goes over it, and he says: "I have been over your "farm; it is so very foul and it is in such a bad con- "dition that I can only give you 10*s.* an acre for it." He takes the condition into consideration in hiring the farm. If he improves it he gets the benefit in increased production. He cannot expect to do anything or to recoup himself unless he farms in a proper manner.

Freedom of cultivation.

16,848. Do you consider that there should be freedom of cultivation?—Yes, if a man has a lease, but if he only takes it from year to year I do not think it is desirable to give entire freedom of cultivation.

16,849–50. Have you leases in Norfolk now?—Yes, we have a large number of leases.

16,851. Many new ones?—Not very many new ones. Farmers now are very fearful of putting their hands to a document. They would rather hire from year to year.

16,853. It would not do much good to the Norfolk farmer to be allowed to sell his hay or straw, would it?—It would in certain years. In a year like the present, when hay is at double the price it generally is, and straw the same, it is beneficial to sell it.

16,854. It has paid the cost of carriage this year?—Yes.

16,855. And it has paid it well?—Yes.

16,856. As a rule there is great difficulty in getting rid of your straw, is there not?—As a rule we could not sell it—it is unsaleable. The freight would be half as much as the value of the produce.

16,857. There is not much hay produced, is there?—Not beyond what is required on the farm. Many are large sheep farms, and there is not very much hay produced.

16,858. You would not give greater freedom of cultivation to the year-by-year tenant than is practically now allowed, would you?—No, because he can make his own bargain, as the landlord is only too anxious to let his farm.

16,859. (*Mr. Everett.*) The position is completely reversed to what it was 20 years ago?—Just so.

16,860. (*Viscount Cobham.*) As to the future do you see any prospect of an improved state of things?—The only hope that I can see is in reduced expenditure, reduced cost of production, and the hope of things reviving.

Cost of production.

16,861. The cost of production has already been considerably reduced, is that not so?—Certainly all feeding stuffs are much reduced. I have paid as high as 12*l.* for linseed cake, now I can buy at 8*l.*

16,862. Do you consider that any possible further reduction in the cost of production could meet the fall of prices?—I do not think there is anything to be done to meet it; but the more we can cut down the cost of

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production, the better able we shall be to meet foreign competition. I do not hold at all with the witness yesterday, who said, "Let the land baste itself." It is more than ever necessary to farm well, and to grow all we can.

Rent.

16,863. In many cases you consider that rents will have to fall still further?—I am afraid they will.

16,864. Until they reach a vanishing point?—On many estates they cannot get lower; being little more than the tithe.

Bad seasons.

16,865. (*Mr. Everett.*) In regard to the seasons, it struck me that Mr. Read, comparing his evidence with my own experience, gave us rather a dark view of the character of the seasons of the last 10 or 15 years, do you think that, on the whole, taking the last 15 years, the seasons have been below the average in productiveness?—No, not taking the 15 years. The last three years have been bad seasons, but the last 15 have not.

Foreign competition.

16,866. I notice that you ascribe the low prices to foreign competition; are you aware that for 30 years or so, after we were exposed to unrestricted foreign competition, farming was a very good business in Norfolk?—Yes.

18,867. It looks as if some other cause than foreign competition had affected prices?—We did not get the quantity of corn in then in proportion to what we do now. Every country is competing with us now. With our own capital railways are being made bringing every country nearer to us, so that we get so much more than we got 20 years ago.

16,868. Do you think developments of that kind have been going on faster in the last 10 years than was the case in the 30 years that first followed free trade?—I should think they have. I am only speaking casually as I have no statistics to prove it.

16,869. (*Captain Owen Thomas.*) Is the land as well cultivated by farmers, who have sufficient capital, as it was in previous years?—By those who have capital to do it.

16,870. But I suppose a large proportion of the land will suffer more where the land is farmed by tenants who really have no capital?—It is so.

Value of land.

16,871. You mentioned two or three farms which have considerably fallen in value, I suppose they have also deteriorated very much in quality and fertility?—No: it is in consequence of the decreased value of their produce.

16,872. And not of the decreased value of the land itself?—Certainly not; it is not due to the deterioration in the value of the land; it is the value of the produce that has deteriorated the fee simple value. The first farm to which I alluded is capable of growing 10 combs of wheat an acre; which 20 years ago would have been worth at the least 10*l.* an acre. But if you take 10 combs an acre of wheat now at 12*s.* a comb, that is 6*l.* an acre, which is 4*l.* less an acre on the wheat crop alone, that fully accounts, I think, for the great deterioration in the fee simple value of the land.

16,873. There has been an extraordinary fall then if the farms have deteriorated in proportion to the prices of wheat. I suppose, really, you would not get more than about one-fourth for those farms in these years of the price that they would have realised 20 years ago?—More than a fourth—some have fallen 50 per cent. and some have fallen only about 30 per cent.

Rates.

16,874. You also mentioned that some burdens on the land should be removed, what would you propose to remove?—I think that the rates press very heavily on the occupiers of the land, the poor rates and the highway rate particularly. A professional man earning say 500*l.* to 1,000*l.* a year, is rated on his house which costs him 30*l.* or 40*l.*, while a farmer is rated according to the rental of his farm a year. I think the rates should be equalised more according to income.

16,875. What is the system or mode which the assessment committee adopt in your district as regards farmers?—In my district they take the rent; that is the basis.

16,876. The rent?—Yes.

16,877. Is there any reduction for repairs?—They make a certain allowance—they take the gross rent, and they then make certain allowances, but the rent is taken as the basis in the union in which I am placed.

16,878. I suppose all farmers have had their assessments reduced in proportion to the reduction of rent?—Yes.

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16,879. (*Mr. Dalton.*) What are the rates in the pound in your parish now in the aggregate?—About 3*s.*, as near as I can tell you, the highway rate, and poor rate, and county rate all together.

16,880. The poor rate has fallen, I think you say?—Yes.

16,881. In the pound?—Yes. I cannot tell you exactly what it is.

16,882. The cost of main roads does not come out of the highway rate, does it?—Partly.

16,883. Does it not come out of the county rate?—We only pay to the one fund, it is 3*s.* in the pound, or whatever it is, and that is all paid through one channel.

16,884. What I mean is that your highway rate, which is the rate which is raised by the surveyor, is a separate rate?—Yes.

16,885. Has that gone up or down?—It has gone down since the main road system came in—it is about half what it originally was.

16,886. Both your poor rate and your highway rate have gone down considerably?—Yes; it is the county rate which has rather gone up, owing to the extravagant expenditure on the main roads in Norfolk.

16,887. But you are better off in the poor and highway rates than before?—We are.

16,888. And yet you want now to be relieved of those, and to charge them on some other person?—Any little relief that you can give us we should be most thankful for.

16,889. Would it be fair to charge the highway rates on anything, except the land in the neighbourhood?—Those who use the roads should pay for them. Brewers and others pay but little towards the roads. I say those who use the roads should pay for them.

16,890. They use the main roads, do they not?—They use the roads and we pay for them.

16,891. Not the roads for which the highway rate is paid; the country lanes, they do not use those much?—Where there is a public-house they do, and the public-houses are not all on the main roads.

16,892. What is this professional man who is paying on 30*l.* a year in your district; have you got a case in your mind?—Yes, I have, a doctor.

16,893. Does he not pay on more than 30*l.* a year?—His house is assessed at 30*l.*

16,894. His house and premises?—Yes.

16,895. Is he making 1,000*l.* a year?—Take it at 700*l.*, or take it at 500*l.*

16,896. Such a man would usually pay on more than 30*l.* a year?—He would pay on the value of his house, whatever that is assessed at.

16,897. Would that not be usually more than 30*l.*?—No, not in country districts.

Profit and loss account.

16,898. In the profit and loss account of your farm that we had, is anything taken for the residence on the farm. Is any allowance made for that?—Yes.

16,899. And for the produce consumed on the farm?—Yes.

16,900. The loss, I think, was the greatest in the two last years, 450*l.* and 250*l.*?—I had heavier losses in 1879.

16,901. But in those years that you took it was the greatest in the two last years?—Yes.

Bad seasons.

16,902. Do you think that that loss was mainly the result of bad seasons?—No, I do not think it was; it was owing to the reduced price of the produce.

16,903. I quite understand that you got no interest on your money on account of the reduced price; but do you think the badness of the seasons caused the great loss on that land of 450*l.* and 250*l.* in those years?—It is not all attributable to the bad seasons; it is more attributable to the lower prices.

16,904. How much would you say was the loss due to the bad season. Could you calculate it?—Not more than half that. You may take it at 50 per cent.

Claims and counter-claims.

16,905. Do you think it would make much difference in the amount of the claims by landlord and tenant under the Agricultural Holdings Act if they were both

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made at the same time?—I do not see that it is possible for the landlord to make his claim at the same time.

16,906. If they are made in the dark and neither knows what the other is going to claim, do you think that will induce them to make a larger claim or a smaller one?—I cannot see what he is to make his claim on, until he has gone over the farm. Until he knows that the tenant is going to make a claim he does not take the trouble to see the state of the farm.

16,907. Then you do not advocate that they should make their claims both at the same time?—No, I say the landlord ought to have a month to prepare his claim. When the tenant makes his claim it would be impossible for the landlord to act, because the crops would be standing, and he could not see the condition of the land.

16,908. I understood that you thought they should both make their claims a month before?—No, I said the tenant should make his two months before as it now stands, and that the landlord should make his one month ago. I might add to that that they should both of them have an opportunity of amending their claims up to the 11th of October.

16,909. Or if the tenant has put anything right?—Yes.

16,910. (*Mr. Little.*) On that point I suppose you think some extension should be given to section 7, which provides that the notice and counter-notice shall state as far as reasonably may be the particulars and amount, do you think that is insufficient to cover the additional claim?—Yes, I think it is. In my own experience if a man gives me the quantity that he has consumed I say: "You will consume something more between now and "Michaelmas, add it on."

16,911. As a referee and valuer you would not consider that an extension of the claim so long as it was a claim of the same character?—I should consider it as being of the same character.

16,912. You would admit it?—I would admit it, certainly.

Profit and loss account.

16,913. You gave your account of profit and loss for recent years; could you tell me how much the loss in the last two years is due to the depreciation in the value of the stock?—I cannot say exactly.

16,914. Has there not been a considerable fall in the last two years in the value of the working stock on a farm, the horses, for instance?—Yes, generally speaking.

16,915. Do you, in making your valuation, put an actual market price?—I put an actual market price.

16,916. And you do not think that your balance-sheet is much affected by the difference in the value?—Not considerably.

16,917. Then it is a pure loss as a trading transaction?—It is.

16,918. You gave us the full amount of the produce sold in 1873, which comes to about 12*l.* 10*s.* an acre on the whole farm; can you contrast with that the total sales of produce in some recent years?—In 1893, the gross produce on the farm was 3,500*l.*; the labour and the cost in 1893 was 3,750*l.*, showing a loss of 250*l.*

16,919. Can you give me the total produce for 1892?—I do not know that I can, I have not the book here; the accounts are with the surveyor; but I have the figures for 1891.

16,920. Then take 1891?—The corn sold in 1891 was 1,802*l.*

16,921. What were the total sales?—The total sales were 3,880*l.*

16,922. In making up those accounts, is that the actual produce of the year, or is there some kind of produce left over?—It is the actual produce.

16,923. What is unsold is valued, I suppose?—No, the stock is valued and the corn is sold. I do not make up my account until the corn is all realised; they are actual figures.

16,924. Then it is a criterion of the actual value of the produce of the farm for those years?—It is the actual realisation, there is nothing guessed at.

Compensation for manures.

16,925. Where a tenant under your advice does not claim compensation under the Act does he get any compensation for cake and manure?—Except the additional value of the manure, he gets compensation for that.

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16,926. I suppose he elects to sacrifice anything that he might get because he knows his claim would be swallowed up?—Just so. In all cases where the manure is valued it is put at a lower price where the cake is charged for.

16,927. It is the usual thing in Norfolk to buy the manure of the outgoing tenant at the consuming value is it not?—Yes.

16,928. I understand that where cake has been used in the production of that manure you value it at a higher rate if the cake is not allowed for in another way?—Yes.

16,929. That is substantially fair, is it not?—Yes.

Compensation for home-grown produce.

16,930. Now with regard to home grown corn; you are in the habit of examining claims of that kind as to cakes and manures where there are two occupations, and as I understand you have often had to make inquiries of foremen and labourers and others as to how the food has been consumed?—Yes, I have often.

16,931. And you do not see any insuperable difficulty in arriving in ordinary cases at the amount of the home grown corn?—No, I do not.

16,932. I suppose that you would require proof?—I should not allow it without proof.

16,933. And a farmer who neglected to provide himself with the proof would lose?—He must take the consequences.

16,934. Though it is difficult you think it is not insuperable?—It throws more labour on to the valuer but it is not an insuperable difficulty.

Expense of arbitration.

16,935. We hear a great deal about the expenses of these arbitrations, are they not under the Agricultural Holdings Act rather minute investigations which require a good deal of time and a good many witnesses?—Yes, they are.

16,936. And a good deal of consideration?—Yes.

16,937. The expenses of an arbitration sometimes include beside the remuneration of the valuer sundry expenses which he has to incur?—Yes, such as witnesses.

16,938. He pays for witnesses?—Yes.

16,939. He generally has to feed them?—Yes.

16,940. If he is the umpire he entertains the two referees?—He does.

16,941. Therefore his bill of costs is not entirely remuneration to himself?—No.

16,942. (*Viscount Cobham.*) What is he paid per diem?—We have no fixed charge, it is according to the amount and trouble that we have.

16,943. (*Mr. Little.*) A valuation will sometimes occupy two or three days, it will take a valuer from home two or three days?—If it took me away three days I should not be satisfied to charge less than 20 or 25 guineas.

16,944. (*Mr. Gilmour.*) Would it not lessen that cost if the landlord and tenant were either bound to select one man to do the whole business or failing that——?—If I went as an umpire I should make the same charge, because I should have both sides to look at.

16,945. There would only be one man to be paid by both parties?—Yes, it would be divided between the two.

16,946. That would lessen the cost therefore?—Yes.

16,947. If there was a selection in every district of well-known men would that not be a workable plan, and a better plan for all?—Possibly it might.

16,948. Do you think so?—Possibly, but in nine cases out of ten the tenant pays the claim, although it is made upon the landlord; the tenant invariably has to pay, and he wishes to have his own valuer.

16,949. The tenant pays the claim?—In nine cases out of ten. The landlord, although he is liable for it, passes it on to the incoming tenant.

16,950. That is going against the spirit of this Act, is it not?—I do not know that. The Act says it is the increased value to the incoming tenant. In nine cases out of ten the landlord goes to the incoming tenant and says: "You have taken my farm; you will go in under "the Agricultural Holdings Act, and you will have "the same benefit when you go out."

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16,951. Are there any items in Schedule 1 which you would consider should be properly transferred to Schedule 2?—No. I do not consider that there are. I think the Act gives every protection.

The letting of farms.

16,952. (*Mr. Giffen.*) You told us that the present state of things is that the landlords submit to any sacrifices in order to keep a tenant?—Yes.

16,953. And I suppose they submit to sacrifices in order to obtain good tenants?—Yes, but they are not so very particular about that. If there is any chance of keeping a tenant on they hold him rather than run the risk of having their farms thrown on to their hands.

16,954. Surely if they have a farm to let they will make the same sacrifices to get a good tenant that they make to keep an existing tenant?—They very often make a greater sacrifice to a new tenant than to an old one.

16,955. That is to say, there are more landlords now seeking tenants than there are tenants seeking landlords, so that a tenant can pick and choose?—That is so.

Farming to a profit.

16,956. Is the tenant able to make a living at the rents that he gets under these conditions and with these prices?—It is a very precarious living, and I am very doubtful, if the present price of wheat and barley continues, whether a man will be able to make a fair living even at the reduced rent.

16,957. Would you not think that a tenant going into a new business like that, and able to put almost any terms he likes upon the landlord, would obtain terms which would make it pay himself, otherwise why does he go in?—It depends very much upon the man himself, whether he is a business man, and whether he has sufficient capital; that is the great point whether he has capital enough without borrowing.

16,958. Then some people can make it pay?—Some farmers may.

16,959. If they have capital enough?—Those who have money of their own and have not to pay bankers' interest. Where a man has to pay five or six per cent. to his banker it is a second rent.

16,960. A man that has adequate capital and is a good farmer going in upon these terms may make a fair living?—He may live.

16,961. That is all you would say, is it? You do not say he would make a fair living or a good profit?—I do not say he would make a good profit, he might live.

Difficulty in letting.

16,962. Why does a man who cannot make a good profit go in then? You say landlords will submit to any terms?—There are very few men who will go in at the present time, even at the low rent. We have no fresh blood, no strangers, no tradespeople, no men who have made their money in other businesses coming into farms as we had 10 or 20 years ago.

16,963. Then the willingness of landlords to make sacrifices does not attract tenants?—In certain districts, certainly not. I can point out large estates in Norfolk which are nearly all in the owners' hands, and the owners would gladly let them if they could get tenants.

Value of land.

16,964. (*Mr. Whitehead.*) You gave us instances of the depreciation in the value of the land; in one case you said that 1,400 acres, for which 60,000*l.* was given some time ago, you value at 30,000*l.* now?—I fear if it were now on the market it would not make more than 30,000*l.* to 35,000*l.*

16,965. In another case, 350 acres, which were bought at 22,000*l.*, you valued at 12,000*l.*?—Yes.

16,966. Could you tell me how you valued that land?—I take the present net rental at 20 years' purchase.

16,967. In each case?—Yes.

16,968. Although you know that if it were put up for sale there would be no actual sale of the land?—In nine cases out of ten the sale is fruitless, there is no investor.

16,969. Does that apply to a great deal of the land in Norfolk?—A great deal.

Dairying.

16,970. You say in your proof that all classes have suffered, but that dairy farmers, and those who breed and rear their own horses, cattle, sheep, and pigs, have best stood their ground. Will you tell me if dairy farming is increasing in Norfolk?—Not so much, because our land is not adapted for it—we have not sufficient pasture.

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16,971. Is the breeding of horses, cattle, sheep, and pigs increasing?—I do not think it is.

Horse-breeding.

16,972. Would that apply also to hackneys?—There are certain well-known hackney studs where people are doing pretty well, but the man who breeds the inferior or secondary hackneys is not making very much out of it.

16,973. Do you agree with Mr. Sewell Read that it is not desirable to encourage the extension of the breeding of hackneys in Norfolk?—No, I do not. I think it is desirable to improve the breed. I think it is quite desirable where a man has a good brood mare or two that he should breed the best he can.

16,973*a*. Do you agree with Mr. Read's opinion that there are a lot of bad ones?—Yes; there are a great many useless ones.

16,974. They do not select their sires and their dams properly?—That is it; they use anything.

16,975. They have good opportunities for properly breeding, have they not?—Yes, but there are certain men who will not pay the fees of a good horse. If they can get the service of a horse for two guineas they will not pay ten.

Poultry-farming.

16,976. With regard to the breeding of poultry in Norfolk, is that extending at all?—Yes, I think it is.

16,977. One reads of Norfolk fowls and Norfolk turkeys as if that were a large industry?—The poultry farming is increasing.

16,978. And does it pay?—I think it does where the farmer's wife or daughters look after it; it does not pay as a separate business; it would not pay me to breed poultry, because I must pay someone to attend to it; it pays those who look after it themselves.

16,979. That would be good work for the wives of the labourers, would it not?—Yes, it would.

Female labour.

16,980. I suppose it is because the work on arable land is so heavy that the women will not take it?—It is menial labour. I am not an advocate for it at all. I am very glad to see that they are gone from it. I do not think it a proper place for women.

16,981. In fruit-growing districts and hop-cultivating districts the labour of women is rather increasing than decreasing?—Yes, but they get much better pay for a short time; they make a harvest of it; it is different from everyday work on the land.

Sale by live-weight.

16,982. (*Sir Nigel Kingscote.*) What is your experience of your cattle, both fat and store, being sold by weight?—My experience at Bury St. Edmunds is that no farmers use the weighbridge; they do not care to use it. We have a weighing machine within 20 yards of our sale ground, but I do not think half a dozen cattle have been weighed since it was erected.

16,983. As a farmer, do you think it would be advantageous to use it?—I cannot see the advantage of it.

16,984. You do not?—I do not at all.

16,985. Do you think you, as a farmer, or farmers generally, can compete with the butchers in telling the value of a fat beast?—Perhaps I must speak rather personally here. I have a public sale, and I say in a public competition an animal is sure to find its value. I sell all my own live stock by auction, as well as other people's. I say, if there are 40 people round my ring they know the value of the animals better than I do.

16,986. You are sure of a market. Would not the price be equally great selling by auction if they were sold by weight as well?—I do not think so. There is a difference in the quality to be taken into account. It does away with a man's judgment; it does away with speculation, to a certain extent. There are many men who speculate and send their cattle to London, or to Birmingham; they buy on their own judgment, and they pay little attention to the scales.

16,987. Those are butchers and large dealers, I suppose?—Dealers.

16,988. Taking the tenant farmer generally do you think that his judgment can compete with those who are at work at it every day?—Very few farmers now sell their things at home; they cannot know the value of them. Every market town has its sale or its market, and they send to that market.

16,989. Then you see no advantage in selling by weight?—I do not at all personally. There is the

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difference in the quality, and the difference in the live and the dead weight, which varies very considerably according to the time a bullock has been grazing—whether a bullock has been grazing six months or three months—makes a great difference in the waste.

16,990. But when he is put upon the weighbridge that is told?—You cannot tell the depreciation upon the weighbridge; so much depends upon the grazing.

Tree planting.

16,991. To turn to another subject. You said there is a good deal of land gone into the landlord's hands in Norfolk and Suffolk. Is that chiefly the light land or the heavy?—The very light and the very heavy.

16,992. Is that land being properly cultivated?—It is only half farmed in many instances.

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16,993. Has any of it been planted?—There are some few cases of plantations.

16,994. Only a few acres?—A few, 20 or 30 acres here and there.

16,995. Do you think it would pay?—I do think it would. I think larch plantations would pay.

16,996. Or even Scotch fir?—That is so unsaleable; it is of so little value when it is grown.

The witness withdrew.

Adjourned to Thursday next at 12 o'clock.

Thirtieth Day.

Thursday, 19th April 1894.

PRESENT:

THE RIGHT HON. GEORGE JOHN SHAW-LEFEVRE, M.P. IN THE CHAIR.

Viscount COBHAM.
The Right Hon. HENRY CHAPLIN, M.P.
Sir ROBERT NIGEL FITZHARDINGE KINGSCOTE, K.C.B.
ROBERT GIFFEN, Esq., C.B.
CHARLES ISAAC ELTON, Esq., Q.C.
Captain OWEN THOMAS.
FRANCIS ALLSTON CHANNING, Esq., M.P.
JOHN CLAY, Esq.
CORNELIUS NEALE DALTON, Esq., C.B.
ROBERT LACEY EVERETT, Esq., M.P.
JOHN GILMOUR, Esq.
GEORGE LAMBERT, Esq., M.P.
WILLIAM CUTLACK LITTLE, Esq.
WALTER HUME LONG, Esq., M.P.
CHARLES WHITEHEAD, Esq., F.L.S.

HERBERT LYON, Esq., *Secretary.*
R. F. CRAWFORD, Esq., } *Assistant*
FREEMAN THOMAS, Esq., } *Secretaries.*

The Right Hon. Sir MASSEY LOPES, Bart., called and examined.

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16,997. (*Chairman.*) You are the owner of a considerable estate in the South of Devonshire are you not?—Yes.

Description of property.

16,998. What is the extent of it?—I think it is about 8,000 or 9,000 acres of enclosed land, but there are large commons which I have the freehold of, and on which I allow the tenants to graze their stock.

16,999. Is the greater part of it let to tenants?—8,000 or 9,000 acres are let to tenants.

17,000. How much have you in hand yourself?—I have about 500 acres in hand.

17,001. Do you farm that yourself?—I farm that myself.

17,002. How many tenants have you got?—I am afraid I can hardly tell you, I should think about 70 or 80.

17,003. They are comparatively small farmers I suppose?—They are small farmers.

17,004. What do they average?—In value?

17,005. In acreage?—They vary very much, they would be from 50 to 250 acres, but the rent is from 50*l.* to 150*l.*

Small holdings.

17,006. Are small holdings at rather higher rents than the larger ones?—I do not think so. At all events the expenses connected with these smaller holdings are considerably larger in proportion to those in the bigger holdings.

17,007. Has there been any change in the size of the holdings of late?—No, I think not. It is quite impossible in poor land, which mine is, generally to let large farms. Unless a man has some land good with his poor land there would be no competition for it.

17,008. Do the smaller tenants make their livelihood entirely from the farms?—I think entirely from their farms.

17,009. What is the smallest acreage in which a tenant can make his livelihood?—That very much depends upon the nature of the land. As a rule the small farmers, in my opinion, are worse off than the labourers just now. If it was not for their own families the farmers would not be able to farm their own lands for they are not able to hire labour.

17,010. Is yours a dairy district?—No, there is very little dairy. It is too far from the towns.

17,011. How do they make their profits then?—By rearing cattle, that is the staple commodity.

Reduction of rent.

17,012. Has there been much reduction of rent?—About 15 per cent., I think, all round, and I should say that many of them are in arrear, and have not paid any rents.

17,013. You have had to make abatements and not to insist upon payment, I suppose?—Yes; that is besides a reduction of 15 per cent.

17,014. The permanent reduction has been about 15 per cent.?—I think so.

17,015. When did the permanent reduction begin?—About two years ago.

Existence of depression. Fall in prices.

17,016. Not until then?—No, I do not think we have felt the depression so much except during the last five years. When the last Royal Commission was held, I think what we then complained of was simply unfavourable seasons, but now it is a depression more especially in our district, in the price of cattle. I do not think cattle, during the last 12 months, have realised much more than half what they did five or six years ago, at any rate not store cattle.

17,017. You are now speaking of the last 12 months, but you say that the depression began to be felt about five years ago; did the price of cattle begin to fall then?—Not so much, but it has gradually become worse since that period.

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17,018. Might not the fall of prices last year be due to the drought?—It helped very much to increase it.

17,019. It would be necessary to separate that from any more permanent reduction?—But it is the price of stock that is so injurious to the district of which I know most.

17,020. You cannot say when that began?—We did not hear much complaint before five or six years ago. Since then it has been gradually getting worse.

17,021. And what do you say about last year?—Last year there was no sale whatever for store cattle at all; farmers have taken them to market three or four times and they have never got a bid for them.

17,022. This was due to the drought?—Undoubtedly, that increased it.

17,023. Did they suffer much from the drought?—Very much.

The letting of farms.

17,024. When farms have become vacant have you had difficulty in re-letting them?—I do not think there is the same competition as there was. We give 14 years leases, and as a rule men go on for long periods, for generations I may say.

17,025. Have most of your tenants leases?—All of them.

17,026. And they still go on taking them?—Yes, leases of 14 years with a break at seven years. That is to say, a tenant can give notice at seven years, and I can give notice at seven years, but as a rule I never get or give a notice.

17,027. But have you been able to let your farms?—I have one or two in hand which I have not been able to let.

17,028. Is that from the absence of men with capital?—I think that the men in the district have scarcely any capital at all. Their capital is their stock.

17,029. At all events that represents capital?—To a certain extent, but they have no ready money, stock is their capital.

Condition of labourers.

17,030. I think you said that the labourers are better off than the very small farmers?—I think the condition of the labourer has very much improved of late years, his wages have very much increased.

17,031. Have you any cases of labourers who have risen into the position of small farmers?—I do not think so.

17,032. Not in your district?—Not in my district. We have had one or two instances, but they are exceptional.

Wages.

17,033. Have the wages of labourers been maintained or has there been some fall?—They have increased. Farmers have a great difficulty in getting labour. The agricultural labourer prefers going to the Railway, or into the Police, or any other occupation but that of agriculture.

17,034. Have the wages remained the same?—I think wages have increased. We have no labourers under 15*s.* a week.

17,035. Comparing the wages with those received 10 or 15 years ago, what are they?—They are higher, they used to be about 12*s.* a week. They are now 15*s.* per week and in many cases the man has his cottage free.

17,036. With the low price of food and meat and other food the 15*s.* goes much further than it used to go?—Yes, he has improved his position.

17,037. In spite of that you say that there is still a tendency to leave the country and go to the town?—Certainly.

Deterioration in farming.

17,038. Has the land in your district deteriorated from want of capital?—I think it has. Not only from want of capital but from want of labour. There is less labour employed on it.

Labour.

17,039. At what size of farm does the tenant begin to employ labour; I suppose on farms of 50 acres he does that himself?—Chiefly himself and his family. When he comes up to 100 and 150 acres he begins to employ labour, but if he can he prefers to keep a man in his house and his difficulty is to get boys. He cannot get boys and he is obliged to employ men in place of boys.

Assessment to rates.

17,040. Have the tenants derived the advantage of the reductions of the rent in the reductions of assessments and rating?—I do not think they have. I do not think agreements have been altered.

17,041. The assessments have not been lowered, you think?—I do not think they have in any case.

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17,042. In respect of your farms that are in hand, what has been your experience of late years, have you lost money by them?—Decidedly.

Result of farming land in hand.

17,043. When did you begin to lose money?—I have been farming on and off a great number of years, and whenever an estate has fallen in hand and the tenant has left it, he has generally left it in a bad condition and I have generally tried to improve it and to let it again, so that my experience is a bad one.

17,044. I am thinking of the land that you have permanently in hand. I suppose you have a home farm?—I have lost considerably within the last two or three years.

17,045. Till then had you lost?—I had not so much before that.

17,046. When probably you have had land left in hand it has been in bad condition?—That is often the case. I have had a small home farm which I do not think has been very productive of late years.

Foreign competition.

17,047. What do you consider to be the cause of the depression?—I should put foreign competition as the chief one, which means the free importation of corn and cattle and wool. I should say that of wool, more especially in my district, because having very large commons the tenants have the privilege of turning out their stock on those commons and I can quite recollect when a man would make his rent off his wool, which was sold at 1*s.* 6*d.* to 2*s.* per pound, and now it is down to 6*d.* and 7*d.* per pound. I do not believe that the tenants, as a rule, sell any corn with me; they utilise it for their own cattle, so that the way in which they make their rent is rearing their stock and selling them as store cattle. I can give you my general experience upon my property. I have had it now nearly 40 years and I have expended more than 150,000*l.* upon it. I do not hesitate to say that the rental of it now is not more than when I inherited it, so that is sheer loss of capital to me. I believe if I had put that money into other securities I should be a vast deal better off at the present moment as far as my land is concerned.

Expenditure on improvements.

17,048. How was that money mainly spent, in drainage, or in buildings?—Chiefly in new buildings, repairs, and fencing, and different things. The property was very dilapidated when I succeeded to it, and my object was to improve it.

17,049. How much of that represents expenditure upon permanent improvement, apart from repairs?—I should think more than two thirds of it. Repairs are a big thing, it means putting a new roof upon a house, and you can hardly call that repairs. The increased cost of all agricultural buildings is very considerable. I am perfectly satisfied that I cannot build a farmhouse now as compared with 30 or 40 years ago, at less than 30 per cent. increase; everything has increased, and not only labour but material. Our difficulty is great now in building cottages. I had a case the other day. I wanted to build a block of two cottages. My estimate for that block was about 400*l.* We have now to send plans to the architect of the Union, and then to the sanitary officers, and these requirements almost make it deterrent. We cannot build a couple of good cottages under 400*l.*, that is with pigsties and appurtenances.

17,050. That is due to the increased requirements of the sanitary officers?—In a great measure.

17,051. When you speak of the materials having increased, what are the cottages built of, stone or brick?—Stone and slate; the price of slate has very much increased in our district, in fact the price of all materials has increased.

17,052. Has timber increased in price?—Timber, too. If you want to build a block of cottages for 400*l.* you have got to go to the Guardians, and you have to satisfy the sanitary officers with regard to the water supply and sewerage.

17,053. Have you much timber on your property?—Not so much now. The blizzard destroyed almost all of it two years ago.

17,054. Do you find that the price of timber has increased or decreased?—The price of timber has very much decreased since I recollect. I can recollect when oak was selling at 3*s.* a foot, and now you cannot get 1*s.* a foot. The high price was in a great measure owing to being near a dockyard; of course there was a

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demand for oak when it was used for shipbuilding, but now iron has taken its place.

17,055. You are speaking of oak timber?—I am speaking of oak timber.

17,056. You said just now that the timber for building purposes has increased? — That always was imported.

Cost of production.

17,057. Then as to the other causes of depression, do you consider the cost of production has increased?—I think the cost of production has decidedly increased by the increased cost of labour. It is almost impossible for a tenant with me now to get an agricultural labourer, they all go into the towns.

17,058. That, of course, tells upon the larger farmers, but it will not tell upon the small farmers who work their land themselves?—If a man has got his family he can manage to work the farm himself, if he has not a family he must then employ labour. Then I think one of the chief things is that charges upon the land are gradually increasing.

Rates.

17,059. Have you any figures which show what has happened in respect to the rates upon the land in your district?—I have no figures here, but I pretty well know; our rates have not decreased at all, although, of course, we have had a considerable sum lately in subventions, but the expense of County Councils, main roads, and different things, have almost neutralised all those advantages.

17,060. What is the average of your rates?—They vary very much in each parish. I should think on the average about 3*s.* to 3*s.* 6*d.*; they vary in every parish—in every union.

17,061. And you think there has been no diminution of them in spite of the subventions?—No, I think there is a prospect of a greater increase. The sanitary rate is becoming a very serious matter, and there is also the school rate. There are three adjoining parishes now in which there is a demand for building new schools.

17,062. Are these board schools in your parishes?—There was only a board school in one parish, but I am very much afraid they will all be board schools before long?

State loans.

17,063. What would you suggest as a remedy?—Well the first thing I would suggest is that the Government should grant some State loans at low interest to aid and assist in agricultural buildings, farmhouses and cottages. The next thing that I should suggest is one that I take considerable interest in.

17,064. In the case of your own expenditure on improvements have you provided money yourself, or have you got it through the loan societies?—I provided money myself, I have not gone to any society.

17,065. Do you think that if the State were to advance money on land with the privilege of extending the repayment over for a number of years that it would be much availed of in your district?—I think it would with small holders. That is if they were to advance it at a lower interest than building societies now advance it, which I think is about 6½ per cent.

17,066. And the other owners would avail themselves of it you think?—A great many of them would be very thankful for it.

Yeoman farmers.

17,067. Are there many small owners in your district?—There used to be a great number of yeomen there but they have been very much reduced of late years. The yeomen have sold their estates, and many of them tell me that it is much cheaper to sell their estates and rent them than own them.

17,068. Has the land been added to larger properties or bought by the smaller owners?—I think it has been cut up a good deal of it, many have been sold in small lots.

17,069. What are those small lots used for, are they used for farming purposes?—I think many of them are used for building villas where the district is suitable for them.

Rates. Maintenance of the poor and lunatics.

17,070. What is your next proposal?—The reduction of local burdens. I have taken a great deal of interest in that question, and I think we have a great grievance in respect to it. I mention three things more particularly. I think the cost of in-maintenance of the poor ought to be made certainly a national charge. The Government have the entire control of it just now. They appoint their inspectors and they lay down their own rules and regulations, and it is not in the power of the union to advance the salary of any official 5*l.* a year without going to the Local Government Board. Therefore really the guardians have very little power, and I need not tell you that from the days of Elizabeth to the present time the maintenance of the poor was always considered a charge upon the income of every individual. Personal property was always considered liable to it, and it is only by an annual exemption now passed by Parliament since 1840 that personal property is relieved from the maintenance of the poor.

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17,071. Is your suggestion that the personal property of a particular district should be liable to rate or contribution to the expense of that district?—I think it would be far better if it was made an Imperial charge.

17,072. Then the management would be Imperial?—The management is Imperial now.

17,073. Not wholly?—Almost entirely.

17,074. That is to say the Local Government Board can give its consent or refuse its consent to the increase of salary, for instance, but it does not determine the matter?—They can do what they like.

17,075. The Local Government Board does not decide whether the particular person shall receive relief or not?—No; I speak more particularly with regard to in-maintenance. Then I would also mention lunatics. I think lunatics are a national calamity, and they ought to be a national responsibility, and, I think, as far back as 1846 a Committee of the House of Lords strongly advised and recommended that the whole cost of lunacy should be placed upon the Imperial Exchequer. I think it was in the year 1874 that I then induced the Government to pay 4*s.* towards the cost of each lunatic. That was then supposed to be half the cost of a lunatic, but since then the charges are very much increased, and I do not think that the average is much less than 11*s.* or 12*s.*, so that the Government are only paying 4*s.* as against 11*s.* or 12*s.* But my contention is that the Government should pay the whole cost of lunatics. The land does not make the lunatics.

17,076. You consider that the State should take over the management of the lunatics?—They take it now. We can do nothing in our lunatic asylum without the leave and license of the Inspector when he comes down.

17,077. You cannot add to it?—No, and he lays down the law as to what we are to do.

17,078. But the State does not determine whether a particular lunatic shall be taken charge of?—No.

17,079. Or take the actual management of the asylum?—No.

17,080. That still remains in the hands of the local people?—It is done by the magistrates to a certain extent; they determine whether a man shall be sent to a lunatic asylum or not. It is not only the cost of maintenance but the cost of the buildings. Take Devonshire alone, I think we have spent 140,000*l.* upon the Lunatic Asylum now, and the Lunacy Commissioners have just impressed upon us that it is absolutely necessary that we should increase that asylum; that is another large charge.

17,081. But the total seems to involve a very large increase of subventions, that is the direction rather?—Yes.

17,082. I did not understand you to say that the Government should take the management?—I should rather that the Government took them entirely, rather than give a subvention towards them.

17,083. You would prefer that the Government should take the whole management of the asylums?—Yes.

17,084. And of the indoor poor?—The indoor maintenance of the poor. Then another thing I would mention is the police. The police is becoming a very serious charge. As you know half the pay and clothing of the police is at present paid by the Government, but they give nothing towards the cost of building stations and miscellaneous expenses, which amount to a very considerable sum. But I contend that the police ought to be an Imperial charge. The land does not run away, but the police look after personal property; they are more useful for that purpose than anything connected with the land, and therefore I think that the personalty ought to pay towards them. Those are the three things which I would suggest it would be only fair and just should be transferred to the Imperial Exchequer.

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The marking of foreign meat.

17,085. What further remedy do you suggest?—I mentioned the labelling of foreign meat, I think that that very much affects us in our district, as there is a large importation of foreign meat, more especially of dead meat, and I think it would be only fair that any one who sells that foreign meat should sell it either under a licence or label it. That would apply to other foreign products as well. Then there is the question of the protection from foreign disease.

17,086. Just one question upon that; would you apply the same process to all foreign imports?—In a great measure I would.

17,087. How far would you go?—We do it in butter now, but it is not effectually done.

17,088. What other things would you apply it to?—Those are the chief things, meat and butter, you cannot label eggs.

17,089. Would you include colonial meat?—Anything that is not English.

Cattle diseases.

17,090. Then with regard to protection from foreign disease?—I think that we ought to be protected more than we are from foreign disease. In our districts we depend solely upon the rearing of stock; if one animal is imported, we will say from Plymouth, and brings pleuro-pneumonia with it, which may be incubating for eight or nine months before it shows itself, and it is turned out on the commons with us, that one animal might affect the whole herd. On some of the commons there is something like 400 or 500, and more than 1,000 cattle altogether. The tenants all have the right or the greater part of them have the right of turning out the stock on Dartmoor and on the commons adjacent, so that one animal affected by disease would affect the whole of them.

17,091. The cattle are very free from disease at present?—We have had anthrax down there and a good deal of swine fever, but we have been free from pleuro-pneumonia.

17,092. Those diseases have not been imported, have they?—No, we cannot say that they have been imported.

Income tax.

17,093. Then what further do you recommend?—I think I might mention the proposed income tax upon net instead of gross income. I have no hesitation in saying that the 10 per cent. which it is proposed to give between the net and gross is infinitesimally small. I am perfectly certain in my estate the annual expenditure has never been less than 35 or 40 per cent. upon repairs, building, and upon maintenance, and I have had to pay income tax upon the gross receipts.

17,094. When you say 35 per cent. does that include expenditure on new buildings?—New buildings and repairs.

17,095. That would be hardly a deduction from the rent?—It is the difference between net and gross income.

17,096. Yes, but still as a general rule it would be an investment?—Well, but if I did not build and repair I should not be able to get any rent. Not only are there new buildings and repairs but there is the management to be considered. There is the insurance, there are bad debts, and whether I receive rent or not I have to pay income tax upon it.

17,097. What further have you to suggest?—I think we ought to pay only on what we receive.

17,098. The landowner do you mean?—Yes.

17,099. Then as regards the tenant?—Well the tenant is supposed to pay as profit half of his rent, and I think that is rather severe upon him. I think, if I am right, in Ireland and Scotland they only pay upon one-third and I do not know why there should be that distinction in England. I am perfectly certain of this, that the west of England of late years has suffered much more than Ireland or the north of England.

17,100. You are aware, of course, that the farmer can claim to pay upon his actual profits and not upon one-half?—I think now his income tax is put upon half his rent, and he is supposed to go before the Income Tax Commissioners.

17,101. He could claim to be assessed upon his actual profits, if he has made none he will pay nothing?—As a rule he does not know this, and does not do it.

17,102. But still if he was informed of the state of the law he might do it?—It is very recently that he has had that information.

17,103. Have you yourself claimed the reduction?—No, I have not.

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17,104. Although you have not made the half of your rent?—Just so; I shall do so in future.

17,105. You cannot expect your tenants to know the law when you do not act upon it yourself?—No, I cannot.

Rates.

17,106. Is there anything else you would desire to say?—I mentioned with regard to leases and division of rates, I should say this, that I have always advocated a division of rates between landlord and tenant and I practise it. I divide all rates with my tenantry and I pay the whole of my game rate myself.

Leases and yearly agreements.

17,107. We have heard generally from other parts of England that the system of leases has been given up and the tenants prefer to have their farms from year to year—that does not seem to be the case with you?—I think that it is bad for both landlord and tenant, and I think that the tenant ought to have the security of a lease of his farm, and if I was farming as a tenant I should infinitely prefer to have a lease.

17,108. But owing to the uncertainty of future prices the tenants in other districts have ceased to be willing to take leases?—That has not been the case in my district—they have taken them.

17,109. That would tend to show in your district that there is greater confidence in the future?—Greater confidence in the landlord

17,110. In getting temporary abatements; do you mean that?—In my own case I can only say that the tenants have gone on for generations from father to son. If a tenant wishes to put his eldest son on the farm directly he comes of age he has his name added to the lease.

17,111. In other districts they have a system of yearly tenancies and the tenants prefer not to bind themselves for so long as 14 years?—With me it is 7 or 14 years. The tenant has power to give me notice, and I have power to give him notice at the end of the seven years.

17,112. At all events there will be some greater confidence in the farmers in your district with regard to the future than in other districts?—I hope so.

17,113. Do the neighbouring land owners give leases?—I think so, generally.

17,114. It is generally the custom of the country?—I think it is.

17,115. (*Mr. Elton.*) And the introduction of that hereditary benefit, of course, makes it better than an ordinary lease. It makes it into a kind of customary holding?—I think they have confidence under it.

17,116. That sort of usage is an additional benefit, undoubtedly?—I think it is.

17,117. You told us about the commons; are they near Dartmoor?—Yes, adjoining.

Small holders.

17,118. Then the small holders, of course, would have the addition of very large benefits, generally, on the great Dartmoor waste?—All the tenants have the power of turning out their stock in summer, and the general rule is that they may turn out as much stock in summer as they can keep in winter, and it enables a man to keep much more stock than he would otherwise be able to do.

17,119. And they keep to the stint?—Yes.

17,120. It would not make so much difference to a cottager, or a very minute holder having the run of the waste, because he would be restricted to one or two animals?—He would have no power to do it; unless the power was given him, he would not have the privilege.

17,121. I mean in some parts of the country the small cottagers used to be allowed to over-exceed their rights a great deal, but Dartmoor is well looked after?—Yes, they drive all the cattle at certain periods of the year into a pound, and they find out to whom they belong, and they fine those who have no right to be there.

17,122. That would have nothing to do with you, but that would be done by the duchy officers?—Yes, the duchy officers.

17,123. Do you have many of those cottagers who have small holdings attached to their cottages of 9 or 10 acres?—In the small hamlets, we always try to have two or three men who have got a little pasture land, so

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as to be able to provide milk and butter for the people in the district.

17,124. Do these men live as labourers, or what?—They are dairymen in a small way.

17,125. Do your farmers adopt the west country system of sub-letting the cows?—No, they do not.

Wages.

17,126. You say that the price of wages has gone up to 15*s.*; is that for the ordinary day labourer?—We can get no labour of any kind for less than that.

17,127. Is that because you have the dockyard near?—I think the dockyard being near us has something to do with it, but there is a great deal of work always going on for the Corporation of Plymouth, and they employ a great many labourers.

17,128. I ask this question because the wages are very much higher than they are a few miles away?—I have never paid less than 15*s.* myself for labour.

17,129. It is very high for that part. You say that farmers use their corn on the farm?—Yes, they entirely use their corn in feeding their own stock.

17,130. Do they use much foreign barley?—I do not think they do much.

17,131. You have not heard them talk much about making exceptions in favour of the importation of cheap foreign barley?—No, I think not, they use maize a great deal.

Railway rates.

17,132. Do they make any complaint as to the charges for corn; are the railway rates satisfactory?—I think the railway rates are satisfactory. I have heard no complaints.

17,133. Have you heard complaints in your part of the small holders being hampered by having to pay on a heavier scale of railway rates?—I have not heard any complaints.

17,134. I only ask you because we have had complaints from other parts?—I think not in our district.

17,135. The main business of your tenants, you said, was to rear stock; do you rear young stock?—Yes.

17,136. Do they sell lambs and calves?—They sell chiefly store cattle and sheep.

Expenditure on improvements.

17,137. As to the increased expense of building farm houses that you spoke of, is that because they have more sitting rooms, and a higher style of living is required?—We cannot build a farmhouse under 500*l.*, and that provides very moderate accommodation.

17,138. But then that house would have a good deal better accommodation, at any rate, larger accommodation than the old west country farmer had?—I think the accommodation has improved; some of the buildings there were nothing better than hovels formerly.

17,139. They had a custom of using mud, and cob, and thatch?—But now we have substituted slates for thatch, which, of course, has relieved the tenant very much.

Maintenance of lunatics.

17,140. You were speaking of the amount of lunatic expenditure. I do not know whether you know anything about the neighbouring county; are you aware that Somersetshire has had an enormous expenditure on the lunatic asylum?—I do not know about Somersetshire.

17,141. You do not hold any property there?—No.

17,142. Should you consider that the ordinary legal view is the correct one, that lunacy is permanently under the Crown and the Chancellor?—Decidedly, I think the Government have the whole control of the lunatics.

17,143. Whereas the administration of the minor officials on the spot seems now to be regarded as if they were the prime organisers of the whole thing?—Yes.

17,144. You prefer the latter view?—Yes.

Rates. Annual Exemption Act.

17,145. (*Mr. Everett.*) You mentioned just now, as I understand, that an Act was annually passed to relieve personal property from liability to rating; will you kindly give us an explanation of that?—I think you will find that up to 1840 personal property had to pay towards what we consider the national expenses, including poor and everything. I think personal property was liable and was rated, but since 1840 there has been an Annual Exemption Act passed every year at the end of the session, which has exempted personal property.

17,146. Is it not the fact that in 1880, Parliament altered that annual Act and substituted for it a permanent Act relieving personal property?—I was not aware that the Act had been revoked. I am not quite sure, but I fancy that it is not so.

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17,147. But you are confident that for many years, there was an Act passed annually in order to relieve personal property?—Undoubtedly.

17,148. You, I think, made a motion in the House of Commons, which was carried by a majority of 100 in favour of increasing the contribution from personal property to the rates?—I did.

17,149. That was during one of Mr. Gladstone's administrations?—Yes.

17,150. Since the passing of that Act very considerable grants have been made from personal property in relief of the rates?—Yes.

17,151. But not to the whole extent of the demands made by your motion?—I think I made three demands, one, that the administration of justice was to be transferred; the other was half the police; and the other was half the cost of the lunatics. Those three were granted, I recollect that at that time there were 116 prisons, and I ventured to say that half that number might do everything that was needed and required, and that has been found to be the case, and there are now only 56 prisons.

17,152. Do you remember what year it was that that motion was carried or under what Government it was carried?—It was carried in 1872 by Lord Beaconsfield's Government.

17,153. Notwithstanding that considerable grants have been made in aid of the rates from personal property it is still the case is it not, that the agricultural patient has got worse, instead of better?—I think it is the case.

Foreign competition.

17,154. In your evidence you said that in your opinion, foreign competition was the main cause of our difficulties; am I right in assuming that you mean low prices?—Undoubtedly; that has been the result.

17,155. And low prices you attribute to foreign competition?—Yes.

17,156. Has your attention been called to the fact that after we had been exposed to foreign competition for 30 years, agriculture looked back upon a quarter of a century of greater prosperity than it had enjoyed at any time in this century?—Yes; but I think we have only of late years keenly felt the effect of foreign competition. The quantity of imported dead meat which has so much increased every year has very much affected the British agriculturist. I do not think that the number of live cattle that come in is so important as the enormous increased quantity of dead meat.

17,157. You are aware, I daresay, that the average price of corn as shown by the tithe averages had reached a higher figure after we had 30 years of free trade than it has ever reached since the tithe has been commuted?—I think the tithe was up to 112*l.* at the time you speak of; but I do not think that we had felt the results of foreign competition.

17,158. Surely 30 years ago it was enough for that?—I do not think it was up to that amount 30 years ago.

17,159. But 30 years after we had free trade, that would be in 1879, the tithe was at the highest, that is more than 30 years, after the opening of the ports?—I think we were always told when we passed free trade that the freight would be equivalent to protection, and I think Mr. Cobden told us that the freight would be 10*s.* per quarter, and we find now that it is brought over as ballast.

The currency.

17,160. Has your attention been called at all to the connexion between the supply of money and the general level of prices at any particular time?—I think you are speaking of bimetallism and I am no authority upon that question. I can only say that the more gold you have, of course it would help very much the price of agricultural produce. All we know is that when we had large quantities of gold from California it tended very much to agricultural prosperity; but I am afraid that I do not know sufficient of bimetallism to go into the question.

Rates.

17,161. (*Mr. Lambert.*) I wish to know the purport of the Annual Exemption Act of 1840. Before that Annual Exemption Act was passed to what extent was personalty rated?—I believe all personalty was liable to be rated before that. There was a law case, I forget it now, which certainly gave a decision in favour of the rating of personal property, and it was only after 1840 that the Annual Exemption Act was passed.

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17,162. (*Mr. Elton.*) You are referring, of course, to the great Act of Elizabeth, which started poor law relief, so that every man was to be rated according to his ability without making a distinction between personalty and realty?—Yes, according to his income and ability.

17,163. And after a period of desuetude it was found that that was a living enactment, and then suspending Acts were passed?—Yes.

17,164. (*Mr. Dalton.*) But the rating on that system was a dead letter before 1840, was it not?—I understood that the decision was that personalty could be rated and was liable to the rating to the poor.

17,165. The question is, was it rated?—I think it was. I think in some counties, I will take Wiltshire, certainly the clothiers were rated there—the cloth manufacturers—because I know that to be a fact.

17,166. (*Mr. Lambert.*) When this Annual Exemption Act was passed, were they relieving the clothiers?—Everybody was relieved, all personal property was relieved.

17,167. I did not quite catch your answer; was the Act practically a dead letter before 1840?—I do not think it was.

17,168. So that there was a considerable relief?—I think there was.

17,169. You could not instance any relief granted under that Act?—I know that to be the fact with regard to the looms in Wiltshire; they were rated.

Notice to quit.

17,170. You regard security from notice to quit, that is security to the tenant under the security of lease, as important to the fertile cultivation of the soil?—I think the greater security you can give to the tenant the more likely he is to put his capital into it and take an interest in his farm, especially when he hopes it to be hereditary.

17,171. Would you favour a six months' notice to quit?—No, I think not.

Dairying.

17,172. Do you think there can be any extension in the direction of producing dairy produce in Devonshire?—I think in the neighbourhood of large towns; there, of course, you have great facilities for it, but in my particular district we have very little land adapted for it—I can speak more especially for that district between Plymouth and Tavistock, two large towns—every one of our tenants has a small dairy; it is only really a small portion of his occupation, but I do not think we can increase that on poor land. We find in our land, that if it is out say three years it is nothing but moss, the grasses die out, and we are obliged to renew it.

17,173. But I was thinking of the plan of Co-operative Dairies and Co-operative Creameries which have been used and carried on in Ireland with considerable success. I want to know your opinion as a practical man whether such an extension can be made to pay in Devonshire?—I think where you can do it it might be desirable, but if you make all into dairy farms you will bring down the prices.

17,174. Remember that there are 12¾ million lbs. of butter imported into the country, so that there is a considerable opening for enterprise?—I am afraid the same thing holds good with regard to fruit; a great number of people are going in for it, and I am afraid that will be overdone.

Free cultivation.

17,175. Do you allow your tenants free cultivation under your leases?—We never interfere with a good tenant; he has certain allowances under his lease; he has allowances for different manures.

17,176. I presume the Agricultural Holdings Act does not affect your tenants?—I do not think it has affected them at all.

The letting of farms.

17,177. What would be the best sized, or the most desirable sized farm to let?—It would be impossible to let a large farm in our district, and as a rule you cannot let a large farm on poor land; unless you have a certain quantity of good land with it.

17,178. What would be the most desirable size?—That very much depends upon the man and his family. If he has got two or three sons he can farm a larger place than if he were entirely by himself. If he has not that assistance he is obliged to substitute labour at great expense.

17,179. Would you give us an estimate of what you consider a most desirable farm?—I think if a man farms 100 acres.——

17,180. At what rental?—That depends upon the land.

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17,181. I want to know what would be an average?—It very much depends upon whether there is much pasture land or not, or whether there are orchards.

17,182. How many applications would you get for a farm of 100 acres at 100*l.* a year rent for instance?—Very few now to what they were five or six years ago, there is not the same competition for farms that there was.

17,183. But I presume although there may be greater difficulty, there is at all events an opportunity of letting farms in Devonshire at a reduced rent?—Up to the present we have had no difficulty we have let whenever we have had anything to let, but I am not so hopeful as to the future.

17,184. And the rents are decreased about 15 per cent.?—That is about the rule, but then all that depends upon what outlay you have made upon the buildings, because that has to be considered.

17,185. I presume you take that into consideration in making the estimate?—Yes.

17,186. Agricultural produce would have depreciated more than 15 per cent.?—Very much more.

Ground game.

17,187. Touching the Ground Game Act; do you give your tenant the right to kill ground game under the Act; of course you are bound under the Act to do so, but do you give them free facility under the Ground Game Act?—Yes, they have every facility to destroy ground game.

17,188. (*Mr. Dalton.*) You consider the increased charges on land to be one of the causes of the agricultural depression?—Yes.

Rates.

17,189. Are you quite sure of that, for the rate in the pound, taking Devonshire as a whole, has gone down. According to Mr. Fowler's return last year, taking the rural rate as compared with 1868, there had been a fall of about 6*d.* in the £, taking the whole rural rates?—We find under the County Council our expenses are very rapidly increasing; our main roads especially are a serious matter. There is scarcely one expense that has not increased. Take the coroners, and take registration, education, and sanitary, and weight and measures; increased demands have been lately made by the Government on all these subjects, and they have increased very much, and I doubt very much whether we have gained anything by the recent subventions; that is to say, having regard to our expenses previous to the time that the Local Government Act was passed, I say even with the subventions we have gained nothing at all by them.

17,190. Has not the poor rate gone down?—Very little indeed.

17,191. Can you say to what extent the poor rate has gone down?—I cannot.

17,192. If you go back as far as 1868 it has gone down very considerably?—That might be.

Maintenance of the poor.

17,193. What do you think would be the effect on out-relief if in-maintenance was made a national charge, Who would determine whether a pauper should be relieved outside or inside the workhouse?—I admit that there would be a little discretion with regard to that.

17,194. Would you leave the discretion with the local people?—I think you must, to a certain extent, leave it with them. But then there would be always a central office; they would be continually coming down and making inquiries.

17,195. But at the present time the central office has nothing whatever to do with the question whether a particular pauper shall have outdoor or indoor relief?—I should not have the least hesitation in giving them that power.

17,196. Would it not be impossible for a central authority to undertake work of that kind?—I do not think there is any advantage in the poor being brought into the house; and I do not think that they feel it so. The general feeling is to be out of the house rather than in it.

17,197. But would not there be an inclination on the part of the local authority if the whole of the expenses of the in-maintenance were borne by the Government, to send the pauper into the workhouse, rather than keep him out, if they had to bear the whole of the cost of the out-relief?—I do not think they would have any object in doing it.

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Cost of the police.

17,198. They would have a pecuniary object in doing it?—I do not think that would affect them.

17,199. Then with regard to the cost of the police, do you think it would be generally popular if the Government were to undertake the whole charge of the police?—I do not think it would be unpopular.

17,200. Not in boroughs?—I do not know about the boroughs; I am not connected with a borough. As far as I can judge I do not see why it should be so. They would be very glad to be relieved of their rates.

Rates.

17,201. There are certain classes of personalty that now contribute to the rates, railways, gas, and water undertakings, canals, and so forth?—Railways pay their share to the rates.

17,202. A considerable share?—Yes; but the hardship with regard to railways is this: that the debenture holder, and the preference holder, pays nothing; the ordinary shareholder pays all the rates; he has constructed the whole undertaking, and the mortgagee, who is really the debenture holder, pays nothing whatever in any shape or form.

17,203. In the case of subventions which are very large now; they contribute towards those?—I think the subventions more recently made amount to something like 4,000,000*l.*

17,204. Taking all the subventions together?—Well, previous to that there were 2,000,000*l.*; that is about 6,000,000*l.*; I think we have a great case with regard to the reduction of the rates. Mr. Goschen, who was then the head of the Local Government Board, was my chief opponent years ago, and he is the very man who has given us 4,000,000*l.* since, and he has found out that probably he made a mistake.

17,205. Do you think that the subventions increase the local expenditure?—I do not think so.

17,206. Do you think it has made the local authorities extravagant?—I will not say that, but we are not a bit better off with those subventions than before we had them, because all the charges have increased. I think that the county councils have added very much to the charges, and I think parish councils will very much increase them by and bye.

17,207. On the whole you will not say that the rate in the pound of the poor rate has gone up?—It includes so many things.

17,208. Do you think it has gone up including the county rate?—I think it has. Our county rate increased last year.

17,209. What is it in the pound now?—I should not like to give you an answer, for I am not perfectly satisfied that I have the right figure.

Maintenance of lunatics.

17,210. There would, of course, be very great difficulty in a central authority undertaking the workhouses?—There might be some difficulty; there would be no difficulty with regard to lunatics.

17,211. With regard to the asylums, would there be?—No.

17,212. They could hardly take the one without the other, because there would be then a great inclination to send all the lunatics into the asylums, which has been very much complained of in certain districts since the 4*s.* grant was given?—I do not think that is the case.

17,213. It is a disputed matter, is it not?—So different is that the case that only recently the Lunacy Committee in my county have been obliged to send circulars to the unions requesting the guardians not to send any more lunatics there, because they have no room to receive them.

17,214. Is there not some disposition on the part of boards of guardians to send not only the acute cases but the aged to the asylums?—I am speaking only of two unions, and I do not think that is the case in Plymton or Tavistock.

17,215. You advocate loans by the Government for building farmhouses and labourers' cottages. Do you think that would be better than loans advanced by the local authorities? There was a Bill brought in last year with that object enabling local authorities to advance loans, and it was read a second time. Do you think that the principle of State loans is better than that of local loan societies?—Yes; we are piling up a local debt, and I think our local debt will be something like a national debt the way we have been going on recently. We have got something like 200,000,000*l.* now of local debt, and the way in which we are increasing it is very alarming.

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17,216. Do you think you would require good security if you advanced it?—You have got the security of the State.

17,217. Is not the local authority more likely to be able to find out quickly and accurately whether the security is good or not, and if so, there would be no loss in their advancing the money as they would lend it on good security?—I would infinitely prefer the security of the State to that of the local authority.

Scarcity of labour.

17,218. (*Mr. Little.*) You spoke of a scarcity of labour in your district; does that remark apply generally to Devonshire, or only to your particular locality?—I can only speak of my own particular district in Devonshire. But in Wiltshire; I know Wiltshire, and I think that it is the same there. The great difficulty is to get rural labour.

17,219. Is that produced by migration of the labourers?—We find that they prefer to go as porters to the railways, or gangers, or railway guards, to the police, or dockyards, and in fact any other occupation, where there is not such hard work.

17,220. They have gone from the district; they are not taken up by any other industry in the neighbourhood?—A great many of them have left the district.

17,221. I suppose there is a contraction of work, less work done, and less labour required?—I think you want three labourers to get through the same amount of work that two used to do. I think everything has deteriorated, not only in quantity, but in quality.

17,222. Is there as much work done on the farm as there was?—I do not think there are so many improvements done. If you look at the fences and gates as you go along the railway you will see that that is so, and in my own district I do not think they are cared for as they used to be.

17,223. If there is a contraction of the amount of work and there is a scarcity of hands, there must have been a very considerable decrease in the number of labourers or in the amount of work done?—Yes.

17,224. Do you think that the state of the cottages has led the people to leave the country?—No, I think they prefer going into the towns. My own experience is that if you have a single cottage people do not care to go into it; they prefer to be near a market, near a neighbour and where they can get perhaps a little more recreation, and that is the great object of their going into a town. A man would rather live in a small room with his family in a town than have a comfortable cottage in the country.

Cottage building.

17,225. You were speaking of the cost of building cottages. New cottages are still necessary, notwithstanding the decrease of population?—Yes.

17,226. And you spoke of the requirements of the sanitary authorities as deterring landlords from building; are you under a Rural or an Urban Sanitary Authority?—A Rural Sanitary Authority.

17,227. And they require plans of cottages to be approved by them?—Yes, we are obliged to send plans in to them, and after that they go to the Sanitary Officer, and we are obliged to get water and sewerage, and we get many requirements that are not needful or necessary.

17,228. Can you tell me how the Rural Sanitary Authorities acquire these powers?—They have got them lately.

17,229. The Rural Sanitary Authorities can acquire powers which Urban Sanitary Authorities already possess?—I think that is possible; at any rate they have got them in my neighbourhood.

17,230. I think you said that a pair of cottages would cost 400*l.* independently of the land?—Land and water.

17,231. Drainage, water, fencing, and all those appurtenances; and what would that cottage let for?—4*l.* or 5*l.* is the most you can get for a labourer's cottage.

17,232. And as an investment there is no inducement to build?—None whatever.

17,233. And yet good cottages are very much required?—You cannot induce a labourer to occupy anything but a good cottage.

State loans.

17,234. Under these circumstances you think that a loan might be asked for from the State on easier terms than those of private companies?—I think it would be very advantageous to have such loans.

17,235. Do you know the terms upon which Government lends money to the Irish local authorities for building cottages?—I do not.

17,236. They allow the loan to be spread over 50 years, and the annual payment is a little under 4¼ per cent. That would be much more favourable terms than you could get from improvement companies?—Yes.

17,237. I understand that you advocate, and always have advocated, a revision of the local taxation as a matter of justice, quite apart from any increase of the burden?—Quite so.

Maintenance of the poor.

17,238. The in-maintenance of the poor as a State charge was recommended by the Duke of Richmond's Commission?—It was.

17,239. And do you think that it would be just, and that it would be economical?—I think it would be; there is no reason why it should not be.

Cost of the police.

17,240. The police you look upon as properly an Imperial charge for the benefit of all, and especially of the ratepayers?—More particularly for the benefit of personal property than of land.

17,241. And the cost for this in country districts falls entirely, or chiefly, upon the land?—Yes, except what is now paid by the Government.

17,242. Mr. Dalton asked about subventions and personal property, but does not real property contribute to both?—Just so.

17,243. Therefore, real property not only pays rates, but contributes towards the subventions?—Yes.

17,244. Do you not think that the police could be more economically managed if they were one force?—I hardly like to give an opinion about that.

17,245. As in the case of prisons?—If it was entirely under one control, that might be possible, now you have got a chief constable in each county. If there was a general superintendence of them, and a general management, it might be more economical.

17,246. The opportunities of promotion would be much greater in a large force?—Yes, that would be so.

17,247. And there would be better opportunities of securing good men and keeping them?—Yes.

17,248. The difficulties of superannuation would be decreased, perhaps by putting it on one uniform scale?—Yes.

Maintenance of lunatics.

17,249. Then with regard to lunatics; the visitors of the lunatic asylums have little power in administration?—None at all.

17,250. Everything they have to do is prescribed for them?—Yes.

17,251. The diet and indeed the whole management?—Yes, everything is laid down, and there is very little option.

17,252. And you argue that lunatics are properly a charge upon the whole property of the country, and not simply upon real property?—That is my opinion.

Sanitary rates.

17,253. Then with regard to sanitary rates; are you of opinion that they should be borne to a greater extent by personal property than they are?—When Mr. Stansfield brought forward that Bill some years ago I rather opposed it because this was a charge upon real property as distinct from personal and he then agreed to pay one half of the salaries of the Inspectors and the Sanitary Officers and that is now paid by the Government; but still that is a very small proportion of it.

17,254. The cost of administration is to a certain extent borne by the State but not the cost of the work to be carried out?—No.

School rates.

17,255. With regard to education you argue that that is entirely for the national benefit?—Yes. Well I consider that that is a very considerable grievance with us because it is now only a question of time when all our voluntary schools will be made into board schools. The Department are putting such very strong and stringent conditions upon us. As I said just now I am connected with three parishes where they are obliged to build new schools and they will be a very considerable expense.

17,256. That is an additional burden upon the land which it is at present unable to bear?—Yes.

Payment of compensation.

17,257. (*Mr. Gilmour.*) I think that you said that the Agricultural Holdings Act was not enforced in your district?—I think not, I do not think that it is utilised at all.

17,258. Then in your leases have you a clause granting compensation for certain manures?—Yes, for all manures.

17,259. And for cake consumed?—For cake.

17,260. Can you tell me the per-centage you allow for manures at the end of a lease upon the outlay?—I am afraid I can hardly tell you exactly, but for lime, for instance, we give the whole for the first year and then it graduates the whole way down, and the same for bone and other manures.

State loans.

17,261. (*Mr. Clay.*) I think you said that as one of the remedies Government should advance money?—Yes.

17,262. For building, &c.?—Quite so.

17,263. At what per-centage?—I did not put down any amount; I simply said at a low rate of interest.

17,264. But the Commission would like to know your opinion upon what you call a low rate?—I think 3 per cent.

Position of tenants.

17,265. Do landlords in your county retain their tenants from generation to generation, as a rule?—As a rule the tenants go on as they do on my own estate; I think so; that is generally the case.

17,266. Have these tenants who have gone on from generation to generation been able to advance their families as they grow up?—What they have generally done is this: they have put their sons out on farms; I do not think that they have given them very much money, but they have given them stock and started them. I do not think that they have given them capital so much as they have furnished them with a certain quantity of cattle to stock their farms.

17,267. And, on the whole, these last two or three years they have been prosperous?—I will not say the last few years.

17,268. Well, then, until the last few years?—Yes, I think they have done fairly well, but they have been gradually losing capital; the difference in the price of wool has affected them as much as anything.

Prices of cattle.

17,269. (*Mr. Giffen.*) You told us that the fall in the value of store cattle in the last few years was about one half?—Yes.

17,270. I suppose the fall in the value of fat cattle has not been quite so great?—It has not been so large in proportion.

17,271. Could you tell us the reason why it is so large in the case of store cattle, and not so large in the case of fat cattle?—It may be accounted for in this way: we do not fat any cattle in the district as a rule. What we breed is store cattle, and we are very much dependent upon graziers coming down from the north and buying our store cattle. Our land is not good enough to feed them, and the store cattle is generally sold to dealers who buy them and take them to the north, and the different counties there where they are fattened.

17,272. So that the causes of the fall in the value of cattle generally tell with greater force upon your store cattle than they do upon cattle all round?—They do.

Investment in land and and other industries.

17,273. With regard to that sum of 150,000*l.* which you told us you had spent on your own property without getting any more rent, you made a remark that you thought you would have done better if you had put that 150,000*l.* into other securities?—I did.

17,274. But is that quite certain? Would not that depend upon the other securities very much?—It would depend upon whether they were sound or not.

17,275. I ask the question partly because a gentleman who gave us very good evidence some time ago, gave us a particular account of his losses in Agriculture, and I asked him privately shortly afterwards if he thought he would have done better if he had had his money in anything else, and he told me that what savings he had, some part of them he had put into shipping and on the whole shipping was worse than the agriculture?—That may be, but if I had put that 150,000*l.* in good securities——

17,276. That is just my point, that it is a question of the security?—I would put it into Consols, and if I had put it into Consols I should have been better off.

17,277. There are many trades and industries into which you might have put the money with no better result than the result that you have experienced?—That is true; but I do not think I would have put it

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into any other security than a sound one, and that is the only reason why I say that if I had put that money into other securities instead of expending it on my estate I should have been better off.

17,278. (*Mr. Little.*) I think you said if you had put it into the funds?—Yes.

17,279. (*Mr. Long.*) Taking the general run of landowners to whom your evidence applies, it is not their practice is it to embark in extra enterprises like shipping or trade?—No.

17,280. (*Mr. Giffen.*) Still is there any other great trade and industry such as shipping that has not suffered almost about as much as agriculture has suffered?—I am not aware of any industry which has suffered so much and so long as agriculture.

17,281. The iron trade for instance. Has there not been a great deal of suffering there?—That is only recently; during the coal strike.

17,282. Is that quite so?—You are a better judge than I am.

17,283. Is not the iron trade the trade in which there are tremendous fluctuations from time to time, and very great suffering is experienced in it?—I am afraid I do not know enough of the iron industry to give an opinion upon it. No doubt other industries have suffered, but I contend that no industry has suffered so much as agriculture.

17,284. I am not arguing the question with a view of disputing that there has been more depression in agriculture, but simply to call your attention to the fact that there is depression in other trades?—I admit that.

17,285. (*Mr. Long.*) The question I want to ask you is whether Mr. Giffen's question does not supply its own answer, namely, that the fluctuations in the iron trade are as between great profits in very prosperous times and great losses at other times, whereas in agriculture the profits have never been great, whereas the losses have been enormous?—That is so.

17,286. (*Mr. Giffen.*) Is that so?—I think so.

17,287. (*Mr. Long.*) Can you give one single owner of land throughout Great Britain who has in the past in prosperous times made a fortune out of the ownership of his land?—I think not; I do not know of any; it is only a question of time when all our large houses and mansions will be deserted.

17,288. (*Mr. Giffen.*) Then you say your income is not more than it was 40 or 50 years ago?—My rental is not greater; my agricultural rental.

Rental and purchasing power of money.

17,289. Do you think that owing to the general fall of prices the rental that you receive has greater purchasing power; owing to the general fall of prices the rental which you get goes further in purchasing than it did 40 or 50 years ago?—Do you mean that the value of that money is greater?

17,290. Yes?—I do not think it is; it may in some cases be greater in buying food, but as a general rule I do not think it is. I think that we have all become a little more luxurious than we were, and certainly our wants are greater.

Cost of building.

17,291. Although that money, technically speaking, might go further, and buy more things, yet owing to the advance in the scale of living it does not really go further?—I do not think that it does.

17,292. Then with regard to the increase of 30 per cent. in the cost of building as compared with 30 or 40 years ago, you said not only labour but everything had increased?—Yes.

17,293. And then you added, I think, that the requirements of the cottage were more than they had been; I should like to ask you whether the price of materials generally for cottages has gone up?—Certainly, the price of slate has increased.

17,294. As compared with 30 or 40 years ago?—Certainly; I should say 30 per cent. increase in the price of slate alone since I recollect it, and there is also an increase in the price of timber.

17,295. As compared with 30 or 40 years ago?—Certainly, of course the material, the stone, very much depends upon the locality, whether it is near or not. We have no brick; the cottages are all built with stone, and, of course, the difficulty there is the access to the material.

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17,296. Is that quite certain about timber?—Yes; I can only speak from my own knowledge with regard to timber, and certainly timber is dearer than it was 30 years ago.

17,297. Has not there been a great fall in timber in 30 years?—I am not aware of it; we have not had the benefit of it.

17,298. So that the effect of your evidence is, that notwithstanding the fall in prices of agricultural produce, and the fall in rents, the prices of certain things which you have to buy, such as slates and timber have rather increased?—I may also add the cost of labour.

State loans.

17,299. With regard to those State loans at low interest for the special purpose of building, can you tell us the special reasons why the State should lend money for that purpose that you desire?—Well, I think the depression of the agricultural industry is a reason.

17,300. But the State cannot be a universal moneylender?—No.

17,301. Why should it lend to the agricultural interest more than to any other interest?—Because it is the most important industry of the country, and the State ought to be more interested in it than in any other; it has been the foundation of our national property.

Rates.

17,302. That is the only special reason you give?—Yes.

17,303. And no political or economic reason of another kind?—No.

17,304. With regard to the transfer of the Poor Rate, and Lunacy Charges, and Police, to the Imperial Exchequer, would not the general effect of all such transfers be to benefit the owner rather than the farmer of land?—I do not think it would benefit the owner half as much as it would the yeoman; the man who is the owner, and occupier of his property.

17,305. Still it benefits the man in his capacity as owner and not as farmer?—Well it would benefit both: I do not think that the owner is going to get the whole benefit of it.

17,306. But the tendency would be for rents to go up as rates were diminished?—I do not think there is any tendency of rents going up. The tendency is to lower them.

17,307. But still the rents would be higher than they otherwise would be if the rates were taken off the land?—I do not think that the difference in the rate is going to make any difference. I think I told you that I would divide rates between owners and occupiers.

17,308. And you do not admit, as a general rule, that rents tend to fall as rates go up, and to increase as rates go down, other things being equal?—I do not think that it makes any great difference.

17,309. You do not admit that?—No, I do not.

The marketing of foreign meat.

17,310. You did not explain, I think, in what way the labelling of foreign meat would benefit agriculture; you said it would be equitable and the right thing to do, but you did not explain in what way it would benefit the farming interest?—It would give rather a spur, and an advantage to home produce.

17,311. Is that quite certain?—I think it would. I think that everybody would prefer home grown meat to foreign, but I think there is a great deal of foreign meat which is passed off as home grown meat at present.

17,312. Did you go into the evidence before the House of Lords Committee, which was rather to a contrary effect; some of it at least?—I did not see it.

17,313. The evidence was that it might benefit the foreign producer, and not the home producer?—I did not see that evidence.

Income tax.

17,314. With regard to the assessment to the income tax upon the farmer under Schedule B., you said, I think, that the assessment should be upon a third and not upon a half?—I think the same principle carried out in Ireland and Scotland should be applicable to England.

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17,315. But is it a good principle?—I think it is.

17,316. Is there any reason to believe that the income of the tenant is one-third or a half of the rent?—I think there are very few tenants who keep farming accounts. It is very difficult to ascertain that, but very few men make a profit equivalent to half their rent.

17,317. Would you say that a man who pays 200*l.* a year does not make 100*l.* a year out of the farm as a rule?—I think very few of them have done so lately.

17,318. Do they live at the rate of 100*l.* a year?—I cannot say exactly that; they live in anything but a luxurious way, but as to 100*l.* a year I do not know.

17,319. Does a man who pays 100*l.* a year rent live at the rate of 50*l.* a year as a rule?—I do not know what that living comprises. What do you mean by the living.

17,320. I am assuming his income in the same sense as any other man's income, and if a man lives out of his income that would be his living?—I cannot say.

17,321. I want to ascertain whether the basis of these regulations of the income tax is a sound one or not?—I think that it would be only fair that a man should only pay his income tax upon one-third. At present it is one-half. I say that is very severe upon the man, and I do not see why the same rule should not be applicable as in Ireland and Scotland where he only pays on one-third.

17,322. If the rule is not a good one in Ireland and Scotland would you still apply it to England?—My opinion is that we ought to be on equal terms.

17,323. You do not know the reason of half or of one-third? I cannot say that I know any particular reason I do not know any reason why in Ireland the rating and the assessments are the same now as they were about 50 or 60 years ago, and have never been raised.

17,324. Is it not quite possible that the whole basis of it is erroneous, and that the income on the average ought to have been reckoned very much higher under Schedule B.?—I think not.

Large and small farms compared.

17,325. (*Mr. Whitehead.*) You said that in your district there are a few tenants farming about 50 acres and working the farms themselves. Could you say whether they have done better than other tenants who held large farms?—I think they have, but that is only the case where a man has had a family and has not to employ extra labour.

17,326. Has their cultivation been different from larger farmers?—It is very much the same. The farmers all rear cattle and that is the staple commodity.

17,327. And they are dependent upon milk?—They keep a very small dairy.

Fruit growing.

17,328. You said that you thought that the fruit industry would be overdone. Does that apply to places like Somersetshire and Devonshire?—We have very little fruit growing in Devonshire; there is more in Cornwall where they have a better climate; but I am told that last year a great deal was spoilt, and they were not able to sell it owing to the quantity.

17,329. Do they grow a great many apples in Somersetshire and Devonshire?—They used to. I do not think there is anything like the number of orchards that there were. Cider is not made in such large quantities.

17,330. But according to the agricultural returns the acreage in Somersetshire and Devonshire has not decreased?—All I can say is, I have never made an orchard, and I have destroyed a great many.

17,331. Because it is unprofitable?—Because it did not pay.

17,332. But still, in spite of that, the acreage is increasing in Somersetshire and Devonshire?—I am not aware of it in Devonshire, at any rate.

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17,333. I think that is so?—I am not aware of it.

The letting of farms.

17,334. (*Sir Nigel Kingscote.*) You said that there was a certain demand for farms when they came in hand—a small demand. Does that demand entirely arise from the farming interest?—I think generally it does.

17,335. No fresh blood comes in, if I may use the expression?—None.

17,336. The sons and relations of those who have been farming themselves continue to take the farms?—Yes, our difficulty is that farmers' sons who live out towards the moor do not care for it, and they leave their parents and go into the towns, so that the difficulty of the farmer is becoming greater. He does not get the assistance of his family as he used to.

17,337. Even the farmers' families want to get away?—They prefer going into the town.

17,338. Still, you are able to let your farms?—Yes, but we have not the same competition as we used to have.

Prices of cattle.

17,339. (*Chairman.*) Have you any table showing the comparative prices of lean stock for a succession of years?—I am afraid I have none.

17,340. Can you supply it?—I can try to get it.

17,341. It would throw light upon the subject as to when prices of store cattle began to fall?—Say, for the last four or five years.

17,342. You might go further than that, so that we may see when the changes occurred?—I will do that.

Reduction of rent.

17,343. Have the reductions of rent in your neighbourhood been about the same as your own?—I think they have.

17,344. Say, about 15 per cent.?—In some parts perhaps a little more towards Cornwall.

17,345. Then inasmuch as the tenants and their families have been on the farms so many years shows that the farms have been low rented?—Yes, we have not let by tender and rents have seldom been altered.

17,346. Therefore the reductions on other estates in the neighbourhood which may be high rented would be rather more?—I think they have been rather more.

17,347. What would you put it at?—From 20 to 25 per cent.

Cost of building.

17,348. (*Mr. Elton.*) You said about the price of the building materials making it difficult to build. Did you say that you used brick?—We use no brick in our neighbourhood. We are obliged to get stone, and that stone is not good stone; it is affected by moisture; it is a bastard sort of granite, and we have to cement it outside.

17,349. There is a natural supply, but it is an inferior stone you say?—It is an inferior stone.

The planting of timber.

17,350. (*Chairman.*) Would it be worth while to extend the planting of timber in your district?—Two years ago we had a blizzard which almost destroyed every bit of timber we had.

17,351. Was it not confined to the district?—Yes, to the district round me.

17,352. Did it destroy everything?—It destroyed everything almost with me, whole avenues were destroyed; every tree almost that I had. Trees planted from 40 to 50 years ago; hundreds of acres of them were rooted up.

17,353. That is a thing that might occur once in a century?—It might. You asked me whether I thought it would pay to plant.

17,354. Yes?—I do not think it does upon poor exposed land. That is my experience.

The witness withdrew.

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Mr. SAMUEL ROWLANDSON called and examined.

17,355. (*Chairman.*) You are a farmer living at Newton Morell, near Darlington?—Yes.

17,356. You gave evidence before the Duke of Richmond's Commission in 1881?—I did.

17,357. Do you hold the same farm that you did then?—I hold the same farm that I did then and reside at the same place, and I also hold in addition to that a farm of about 1,600 acres on the side of the Tees opposite Middlesborough.

17,358. You have increased your holding largely since then, have you not?—Yes.

Existence of depression.

17,359. What has been your experience in the interval since 1881?—With the exception of one or two years the depression in agriculture has existed during the whole period.

Reduction of rent.

17,360. What has been your experience in respect of your own holding?—My own experience has been with regard to my own holding that I have been obliged to request a reduction of rent since that time, and I am also applying for a reduction of rent at the present moment.

17,361. Did you get a reduction of rent?—I got a reduction of rent in 1881, and also in 1886, and in 1887 I got a further reduction.

17,362. What was the per-centage of reduction in 1881?—If I remember the right figures (I am speaking entirely offhand), it was reduced from 1,325*l.* to 1,000*l.*, and since then it has been reduced to 800*l.*

17,363. That is in respect of the farm of 1,000 acres which you then held?—It is about 800 acres altogether on that farm.

17,364. You stated in the evidence that you rented a thousand acres; that is not quite accurate, is it?—It is a little over 900 acres at that place, but over 1,000 acres in all in 1881.

17,365. And the rent at one time was 1,325*l.*?—Yes, and that included some drainage, and it was reduced in 1881 to 1,000*l.*, and since then to 800*l.*, less the tithe and other matters.

17,366. And as to the other farm taken in hand; what do you say about that?—That farm that I took in 1881, I thought that there was a prospect of things improving, which made me take this farm; I took it at a considerably reduced rent to what it had been.

17,367. What had been the rent?—It was a grazing farm. At one time, a great many years ago, it was held at 2,100*l.*; and then it was let at 1,800*l.*; and then it was let at 1,500*l.*; and previous to my taking it it was 1,150*l.*; and I took it at 900*l.*, subject to payment for surface damages by the salt companies, who are pumping salt upon the place.

17,368. Going back to the original farm the rent is now reduced to 800*l.* for the 800 acres?—Practically that portion is 800 acres, but I have some in addition to that.

17,369. (*Mr. Chaplin.*) You have asked for a further reduction of that?—Yes.

17,370. May we ask how much?—That is a matter of arrangement between the agent of the estate and myself, but he is going to meet me on the 26th.

17,371. (*Chairman.*) What is the nature of that farm?—A strong loam.

17,372. What is the cultivation of it?—It is now half grass and half arable; I have laid a certain portion of it away to grass; the worst of it.

Rates.

17,373. Have you had a reduction of your assessments for rating in proportion to the reduction of rent?—Yes.

17,374. Have the rates in the pound been about the same, on what are they?—The poor rates are about the same; we have had a slight increase in some other directions.

17,375. Taking them all round, what is the difference in the pound?—Do you mean between now and 1881?

17,376. Between now and 10 or 15 years ago?—It is very much the same. I do not think there has been any very great increase.

17,377. The actual amount is considerably less in consequence of the reduced rent?—I pay less than I used to.

17,378. And the tithe has been reduced too?—The tithe I have nothing to do with; the owner pays the tithe.

Tithe.

17,379. Before that it had been reduced?—Before that I paid the tithe. Of course the tithe has gone down very considerably.

17,380. Did the owner, when he took over the payment of the tithe, make any addition to the rent?—That was taken into account when the rent was arranged.

17,381. Then, in fact, there has been some further reduction of rent because he has paid the tithe?—Yes.

17,382. What did the tithe amount to?—To something like 80*l.* a year for tithe and land tax.

Wages.

17,383. Well, then, as regards labour; what are the wages?—I quoted my labour bills before the Duke of Richmond's Commission right through from 1854. The wages at the present time with us, I may state, are 17*s.* per week for ordinary men, their houses free and coals led. For the better class men they run to about 18*s.*

17,384. (*Mr. Everett.*) Is the harvest work included in that?—The harvest work is included in that. The female and the datal labourer gets extra for harvest.

17,385. What is datal labour?—It may be a provincialism, but it means men engaged for the week, and those men get harvest wages. The other men are engaged for the twelve months, and the datal labourer is a free man.

17,386. The ordinary men have to do the harvest work without extra pay?—Yes, except in case of very late hours, and then they make a condition.

17,387. (*Chairman.*) How do these wages compare with what they were 10 or 15 years ago?—They are higher than the average. From 1872 to 1876 we paid up to 22*s.* per week.

17,388. Then they went down after that?—Yes, after that they got as low as I think about 16*s.*, now they are back again, and are above what they were.

17,389. Do you employ fewer labourers in consequence?—No, I employ quite the same.

17,390. Laying down in grass has not affected the total number, has it?—It has not. Of course I have tried to do the other land better if I could, in order to keep the same amount of stock.

Result of farming.

17,391. Then taking your own experience during those years, have you made a profit in those years or not?—I have had a very hard set indeed to make a balance, and occasionally I have had a considerable loss.

17,392. Have you had a profit in any of those years?—Yes, I had one in 1884.

17,393. Not since then?—No, I do not think I have made a profit worth naming since then. For several years I have had a very considerable loss.

Income tax.

17,394. Have you applied for a return of Income Tax?—Upon two different occasions I did, but the trouble of fighting the question was so great that I gave it up.

17,395. What did the trouble consist of?—In the innumerable queries to answer in reply to the Surveyor of Taxes, before you could convince him that you were entitled to it.

17,396. Had you to go direct to Somerset House, or was it to the local Income Tax Commissioners?—To the latter.

17,397. You were treated in the same way as any trader would be?—I think so.

17,398. You were compelled to produce your balance-sheet and answer any questions?—I did produce my balance sheet, and I had innumerable questions to reply to both by letter and verbally, and I got tired of it.

17,399. And you have paid your Income Tax upon half the rent?—Upon half the rent, which I consider is more than I received.

17,400. (*Mr. Little.*) Is that since the new regulations came in?—That was previous to the new regulations.

17,401. (*Chairman.*) Possibly under the new regulations the process may be simplified?—It may, but I know the difficulties of the Income Tax; I happen to be an Income Tax Commissioner myself.

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17,402. Now what has been the effect of the depression generally in your district?—Do you mean upon the owners?

Effect of depression (*a.*) Upon owners.

17,403. Yes?—Upon the owners the reduction of rent is, as near as I can speak, about 20 to 30 per cent.

17,404. And in your own case they appear to have been larger?—Yes, because there was a considerable amount of that rent of 1,325*l.* which was interest upon drainage that was just expiring about that date.

17,405. Generally in your neighbourhood the reductions have been from 20 to 30 per cent.?—From 20 to 30 per cent. There are instances where it has been more, but I think that would be the general run.

17,406. And accompanied by increased expenditure on repairs and buildings, by the landlord?—In some cases, where that has been done to any great extent, the reduction has been perhaps rather less; it has been met partly in that way.

(*b.*) Upon small owners.

17,407. What has been the effect upon small owners?—Very similar indeed.

17,408. Are there many small owners in your district?—There are some.

17,409. Men who farm their own land?—There are some, but not so many as there used to be many years ago.

17,410. Have the absolute owners of property received a less percentage on their investment?—Yes.

(*c.*) Upon limited owners.

17,411. And how has it been borne by the limited owners?—I suppose by limited owners, you refer to those who are partly owners with the other branches of the family as well.

17,412. Yes?—In many cases it has been of very great hardship indeed on those owners.

(*d.*) Upon farmers.

17,413. Then as regards the farmers, what do you say?—I think the farmers have all suffered very considerably.

17,414. But those who farm their lands highly, have they suffered?—I think they have suffered more than those who have not, because in many cases, they have not got that proportion of reduction of rent which some of those who farm badly have received.

Large and small farms compared.

17,415. Have the smaller farmers done better than the larger ones?—In the case of some of the smaller farmers who worked their own farms, and work on the land, instead of having labourers, they do not apparently suffer as much as others; but if you look into the question, you will find that the sons have not received wages, but simply a small allowance of pocket money and clothes, and I do not consider that many of those men are in as good a position as what I may call annual men.

Condition of labourers.

17,416. I suppose the labourers have gained?—I think the position of the labourer is decidedly better than it was 30 or 40 years ago. As a rule they have better cottages, they have better clothes, and they have more accommodation, and everything is better for them.

17,417. And the low price of food has benefited them?—Yes.

Land out of cultivation.

17,418. Has any land gone out of cultivation?—I am not aware of a single farm having gone out of cultivation.

Changes of tenancy.

17,419. Have there been many changes of tenancy?—Very few just lately. After 1879 there were a great many, but within the last two or three years there have not been so many.

The letting of farms.

17,420. Have the landlords found any difficulty in getting tenants?—None; in the last year or two farms have been better to let than they were; I think that the increased application for farms during the last two years is more due to the better seasons we have had than anything else. I think we were very much favoured last year in the north as compared with the south, and that that has put a certain amount of heart into the farmers which they had not previously.

Tenants' capital.

17,421. Are there men of capital ready to go forward to farm or not?—They are a very similar class of men to what we have had in many years past, but their capital is considerably reduced.

17,422. And a given amount of capital goes further than it did on account of the low prices you would say?—I do not think that it does. Grazing cattle are quite as dear in proportion to the price of beef. I think they are dearer than they were in proportion to the price of beef.

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17,423. Has much land been laid down into grass in your district?—A certain amount; I have laid down about 200 acres on that farm, and 100 acres on the other farm since I took it in 1891.

Land laid down to grass.

Spending powers.

17,424. Should you say there is generally a decreased spending power on the part of the agricultural class of farmers?—There certainly is amongst the farmers; I do not think there is amongst the agricultural labourers.

17,425. What do you say with regard to the owners?—Amongst the owners, certainly.

Foreign competition.

17,426. What do you consider the depression due to in your district?—I consider it is due very greatly to the great foreign competition that we have to contend with.

17,427. Has it been partly due to the depression of trade?—To a certain extent it has; I may say to a considerable extent.

The coal strike.

17,428. And the coal strike has had an effect upon it I suppose?—The coal strike in the Midlands affected us very considerably indeed, especially with regard to the sale of meat, because a very large proportion of our best cattle goes to Wakefield Market, and that market last year, and even since then, has been very considerably affected by that strike.

The slaughter of foreign cattle.

17,429. Have you any opinion upon the subject of the importation of live stock?—I certainly think it would be advisable in the interests of the country at large that the fat stock should be slaughtered at the port of debarkation in order to keep out disease.

17,430. Do you recommend that in the interests of the health of the stock?—Yes.

17,431. Not for the purpose of raising prices?—Certainly not, not in any way in the form of protection.

17,432. Then you are not in favour of putting any limitation upon the importation for the purpose of preventing competition?—No, I think we shall have to contend against that. It is such a serious thing if we are getting disease. In a large head of cattle it is utterly impossible to work the stock if there is any fear of disease in the immediate neighbourhood and it is a most serious thing if a case does occur. I may state this that upon my farm in the neighbourhood of Middlesborough, the year before last, an animal was inspected there by the inspector for Middlesborough and was reported to the Board of Agriculture as being a case of pleuro-pneumonia. Fortunately it turned out not to be pleuro-pneumonia but it was slaughtered. At that time I had 270 head of cattle upon that farm and if that had been a case of pleuro-pneumonia, I presume that the whole of the cattle would have been slaughtered, and I should have been in this position in March or April, I forget exactly, I should have had to go to market to purchase my stock at probably an advance in price of 2*l.* a head at that time, and would have been unable to purchase the same class of cattle.

Bad trade generally.

17,433. You state in your notes that the diminished demand for agricultural produce has been principally owing to bad trade in the large centres of population and the labour disputes throughout the country?—I think that is very considerably assisted by the poor demand at the present time.

Bad seasons.

17,434. And you also say that the unfavourable seasons have had a great effect?—Yes, that is so.

17,435. But in that respect there was a change in the last two years?—During the last year certainly. You have been able to work the land more satisfactorily and cleaner than during those wet seasons and I think it has put a certain amount of heart into the farmers, that the expenses have been less, and that they have a prospect of getting better crops than during those very adverse seasons.

Deterioration in farming.

17,436. Should you say that in your district there has been a deterioration of farming?—There is no question about it. That is partly due to the seasons, but it is also partly due to diminished capital.

The Agricultural Holdings Act.

17,437. You gave a good deal of evidence in 1881 upon the subject of the Agricultural Holdings Act?—Yes, I did.

17,438. What is your opinion of the working of the Act of 1883?—I think the Act of 1883 has had a beneficial effect in this way, that it has induced many landowners to insert in their agreements clauses giving compensation, whereas previous to that we practically had no compensation whatever on quitting.

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17,439. You think it requires amendment?—I do.

17,440. In what respect?—I think there ought, now, considering the very bad price that wheat is selling at —26*s.* or 27*s.* per quarter, to be an allowance for the consumption of corn grown on the premises, the tenant proving that the corn has been consumed.

Compensation for home grown produce.

17,441. Would there be a difficulty in giving satisfactory proof of that?—I think there would be difficulty, but still at the same time it is a difficulty that might be contended against.

Compensation for continuous high farming.

17,442. What further amendments would you suggest? —I think for the benefit of the community at large there should be an allowance for continuous good farming. At the present time we often have claims for the deterioration of the land and if the tenant has improved the state of the farm in its cultivation I think he ought to be paid for that if he is to pay for deterioration.

17,443. How would that be assessed?—I think that might be arrived at in this way: that if there were an inspection of all farms on quitting and an inventory were made as to the state of hedges, fences, ditches, gates, buildings, &c. that then there would be a basis to go upon and you might very fairly arrive at the improvement that had taken place in that farm during the occupancy of the tenant.

17,444. Would it be an expensive thing to make an inventory of this kind in detail of every holding?—I do not think it would. I think that an inventory could well be made by the agent and entering tenant or it might be made by appointment of one arbitrator between them, or if each appointed an arbitrator and they required an umpire that that umpire should be appointed from a list chosen by the County Council.

17,445. That would necessitate the calling in of two arbitrators and I suppose an umpire in order to make this inventory to record the condition of the farm as between the incoming tenant and the landlord at that time?—Yes, I think that might be done.

17,446. That might result in an expensive process? —I think that might be easily done for 10 guineas for a farm of 400 acres.

17,447. Would you get two arbitrators and an umpire to do it for that?—I think that might be done, it ought to be done in a day.

17,448. Then at the end of the tenancy the new inventory would be compared with the old one?—Yes.

Free cultivation.

17,449. Then what further changes would you recommend?—There are many restrictions on antiquated agreements which certainly might be relaxed, and a tenant should be allowed to crop his farm as he likes upon the condition that he is liable for deterioration and for keeping up the state of the farm.

The schedules.

17,450. Well then, as regards the schedules, what do you say?—I think there might be alterations with advantage in the schedules.

17,451. In what respect?—Where the consent of the landlord is required, for instance some of those might be limited in extent probably.

17,452. Do you mean by that that the landlord's consent should be dispensed with in some of them?— Yes.

17,453. Which of them?—I have not the Act with me at the present moment. I think I may state with regard to that that there will be a schedule of those handed in most probably by a Committee of the Central Chamber of Agriculture which is now sitting.

Claims and counter-claims.

17,454–5. Well then as regards the claims by landlords for the dilapidations, what do you say?—I think that the landlord ought to have a claim for dilapidations precisely in the same way as the tenant has a claim for improvements, and I think it should not be necessary that the tenant should send in a claim but that the landlord should have his claim in spite of that; that both notices should be given on the same day.

17,456. Is there anything else?—No, I think not.

17,457. You say that the landlord's and tenant's claims should be sent in on the same day, and as near the expiration of the tenancy as possible, but the landlord should be allowed till 14 days after the expiration of the tenancy for a further claim for any damage done by the removal of fixtures?—Yes.

Umpires.

17,458. Then as to the umpires, what do you say?—I think it would be a very good plan indeed, if a certain list were prepared by each County Council of men that are capable of acting as umpires in those cases, and that list would be submitted to the Board of Agriculture, and if an application were made to the Board of Agriculture for the assistance of an umpire, that umpire should be appointed from that list, either from that county or some neighbouring county, so that it may be taken from a list approved by the County Council, and being appointed from the neighbourhood he would have some knowledge of the land, and the state of agriculture there.

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Land courts.

17,459. Is there any demand in your district for the determination of rents by an independent tribunal?— No.

17,460. Has the matter been discussed by the farmers of your district?—It has.

17,461. And they are not favourable to it I believe? —No, they are not.

17,462. Can you state the reasons why they are unfavourable?—Is that with regard to the Land Court?

17,463. Yes?—I think the general opinion of the tenants is that a question of rent is a question between the owner and occupier.

17,464. And they do not wish or desire that the matter should be referred to a tribunal?—No. I think that as far as I know, the relations between the owner and occupier in our neighbourhood are friendly relations.

17,465. What are the tenancies; are they generally from year to year?—Upon the whole they are from year to year.

17,466. Were there leases at one time?—No, very few.

State loans.

17,467. What further changes in the law do you recommend?—I think it would be a very great advantage indeed, especially to the owners of property, and also an advantage to the tenants if loans could be made to the owners of property to erect buildings, and make other improvements upon the property which, in many cases, they are unable to do at the present time.

17,468. Is there much to be done in that respect in your district?—In many cases, especially in the covering in of yards.

Drainage.

17,469. As to drainage; is there much room for further drainage?—Yes; for instance there was a very great quantity of land in our district from 1856 to 1864 drained.

17,470. But not lately?—There has been some done lately, but nothing like the number of acres done in those days. There are certain lands that want re-draining, there is no doubt about that. I think one of the greatest improvements that we could have at the present time would be the covering of yards.

17,471. Is any drainage done by the tenants in your district?—I have done a very great deal myself.

17,472. Is it done generally?—I do not know that very much has been done. I have done it on an arrangement with my landlord on the 24 years principle, I finding everything.

17,473. In your own case that is an arrangement with your landlord?—Yes.

17,474. Under the Agricultural Holdings Act?—No, independently.

Light railways.

17,475. Then with regard to marketing the farm produce, do you think improvement may be effected by extending light railways?—I think in some districts that might be an improvement.

17,476. Do you think that the burdens upon the land should be reduced?—Yes, I do.

17,477. In what way?—In every way that they possibly could be at the present time. I think it would benefit the general community. Of course if you could in any way improve the prosperity of the agricultural class I think that that gradually circulates amongst the whole population.

Technical instruction.

17,478. Can anything be done in the way of improving the education of the farmers?—Yes, especially with regard to the manufacture of cheese and butter.

17,479. Does the production of butter and cheese increase in your district?—The production of cheese is increasing. I may state that our County Council has taken very considerable pains in the matter especially as to the Wensleydale cheese. They have given an

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annual grant of 150*l.* a year towards that object, and I must say that the manufacture of that cheese especially, which is a very good cheese, is considerably improved by that grant having been given.

Co-operation.

17,480. Can anything be done in the way of co-operation with the farmers?—I think a considerable amount might be saved by co-operation in the purchase of manures and feeding stuffs, and I may state that I originated a little association amongst farmers in our immediate district about 18 years ago. We began with eight members and now we have between 40 and 50 in that society for the purchase of manure alone, and we have saved a considerable amount of money by it and not only that, but every particle of the manure is paid for subject to analysis.

17,481. So that you have much greater security of getting a genuine article?—Much greater security in getting a genuine article, and not only that, but it is also a security for the owner or incoming tenant of farms if they have to pay the outgoing tenant for his expenditure in manures. It is a guarantee at once that those things are genuine. I may state this with regard to the Parish Councils Bill; I must say that I do think the rate upon land ought to have been put at one-fourth, under the same special clause as the Sanitary Act of 1875 and not upon the whole rateable value of the land, as I consider that the bulk of the money will be spent in the villages and none of it spent on the solitary farm-houses which have to pay, and which are in some instances a long distance from the villages for the benefit received in the villages and not by them at all.

The Parish Councils Bill rate.

Small holdings.

17,482. Is there any demand in your district for small holdings?—None whatever. All the labourers have good gardens and they do not ask for any more at all.

Technical instruction.

17,483. (*Viscount Cobham.*) In what form is agricultural education given by the County Council in your district?—There have been lectures in different centres.

17,484. Is it on farming generally?—Yes, on the application of feeding stuffs and manure, and lectures have been delivered on dairy management and butter management, and also veterinary lectures.

17,485. Have they been well attended?—In many cases very well indeed.

17,486. And they have given satisfaction?—Yes, general satisfaction in every way—they are supplied by the Yorkshire College.

17,487. Have these lectures been attended by practical farmers?—I am speaking more particularly of the lectures given at a village about three miles from my place, and many of which I have attended, as I happen to be on the County Council for that district and I went specially to see how they were attended and I found very many sons of farmers or young men who have just started farming.

17,488. And you have not found that they have run down those lectures?—No, I have not. At the veterinary lectures I think they average a little over 60.

17,489. Is anything done for the instruction of the labourer in the principles of agriculture?—In that same village application has already been made—at any rate it will be made in a week or two—for lectures on cottage gardening.

Labour.

17,490. Have you much to complain of as to the general efficiency of the labourer now as compared with 30 years ago?—They are not required to do the same amount of work. The north country labourers I must say are fairly good men; the only difficulty that we have now is to get men to cut hedges, clip sheep, or to thatch. We have a little difficulty there, but we have the greatest difficulty in getting good hands at cutting hedges and I have made a suggestion to the County Council which has been carried and will be laid before the Technical Instruction Committee, and I carry with me the entire feeling of the Council—to give prizes for labourers for hedge cutting, stone walling, and clipping sheep and thatching, but the only way that they could give prizes is that it must be the result of instruction and the difficulty is in carrying that instruction out.

17,491. (*Mr. Little.*) You must give some instruction?—Yes; since then I assisted in originating prizes for hedge cutting, and I must say they have been exceedingly successful during the last few years, there were 38 competitors last year, and 32 this year.

17,492. Has the County Council succeeded in giving the labourers a more intelligent interest in their work and so keeping them in the country?—I think it will do a great amount of good, if we can do so, but the difficulty is in giving those prizes as the result of instruction.

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17,493. You are in favour of granting State loans for the purpose of agricultural improvement?—Yes.

State loans.

17,494. Do you mean loans at a low rate of interest?—Yes, 6¼ per cent. is too much.

17,495. At what rate of interest?—You might have a longer period and the State ought to grant it on as low terms as they possibly can. It would not be for the benefit of the owner and occupier of the farms alone, but for the benefit of the community at large.

17,496. You would not put the duration of the improvement in the case of drainage at a longer period than 25 years?—I am not very sure, I think you might fairly put it at a little more.

17,497. Did not I understand you to say that a good deal of the draining between 1850 and 1864, has now to be redone?—That is nearly 30 years ago or more.

17,498. You think the period could be lengthened?—I think it might be lengthened.

17,499. In the case of building the period would be longer still?—It might be 28 years for that.

17,500. How would you secure those loans?—By a charge upon the property.

17,501. Taking precedence of all mortgages and family charges?—That is a difficult point at the present time, I admit.

17,502. Of course they would have to come after the existing mortgages?—After the existing mortgages.

17,503. You see some difficulty in putting a further burden in front of the mortgages and family charges do you not?—I think there are many farms on which money might be expended if the money could be got at a low rate of interest, and for which the farmers would be willing to pay a certain percentage in having the improvements effected especially with regard to the covering of yards.

17,504. If prices do not fall any more?—If the prices do not fall any more.

Reduction of rent.

17,505. (*Sir Nigel Kingscote.*) You told us that you had recently asked for a greater reduction of rent than you had previously obtained, and you also said that last season was a very good season. I suppose you asked for a reduction of rent on account of the reduction of prices?—That is so.

17,506. It has nothing to do with the seasons?—It is more particularly the very low price of beef.

Slaughter foreign cattle.

17,507. I do not quite understand whether you said you were in favour of all animals that come from abroad being slaughtered at the port, or that they were only fat cattle that you wanted to be slaughtered?—The whole of the animals, I think there is very great danger if you admit even Canadian cattle, for you cannot be certain that these cattle are not carried over the borders from America.

17,508. (*Viscount Cobham.*) Are you a breeder?—Not to a very large extent, I am a feeder.

17,509. (*Sir Nigel Kingscote.*) You buy and sell out?—I buy and sell out.

17,510. (*Viscount Cobham.*) You are not afraid of losing the supply from abroad?—We must contend with that. I think it is much better to pay a little more for our own stock and then we know the difficulties we have to contend with.

17,511. (*Sir Nigel Kingscote.*) Do you sell cattle in your neighbourhood by auction?—Hardly any myself, there are auction marts.

17,512. By private contract?—I sell all mine by private contract.

Sale by live weight.

17,513. Do you think there is any advantage in having the weighing machines?—I use the weighing machine and I have one upon each of my farms.

17,514. And you think generally it is a good thing?—There is no doubt that it is a great guide to judgment, but even in spite of the weighing machine the eye must be the principal guide.

17,515. Of course the eye must be used for quality too?—Certainly for quality entirely.

Wages.

17,516. You gave us the amount paid for labourers as 17*s.* per week, it sounds very high to us who live in

the south, and you also said that you were near salt companies?—My farm near Middlesborough has 26 pumping stations upon it.

17,517. Does that enhance the price of labour because there is other demand for labour?—There is no doubt that it enhances the price of labour but the general run of labour throughout our district is about 17*s.* per week.

17,518. And that covers a large district?—Yes; if you go into the county of Durham it is considerably more. I happened to be on some farms where they told me they were paying 19*s.* a week with a house and coals led. For shepherds and foremen we are paying 1*l.* to 23*s.* a week—I have several men at 1*l.* a week myself.

17,519. You cannot say roughly what your labour bill per acre comes to in the course of the year?—Upon the farm that I am on at home it averages 22*s.* to 23*s.* per acre. Upon the other farm near Middlesborough it is considerably less. It is all grass except 80 acres.

17,520. (*Mr. Little.*) Do you say a portion of the home farm is grass?—It is half and half.

17,521. (*Sir Nigel Kingscote.*) It sounds as if your own labour bill was very great?—That is what I think. Our north country labour bill is very great.

Price of cattle.

17,522. (*Mr. Whitehead.*) The lean stock is very good I suppose?—Yes, as near as I can tell, the grazing cattle that we require—and I bought between 300 and 400—run to about 1*l.* per head dearer than last year.

17,523. Why are they dearer in your district because you did not feel the effect of the drought?—We did not feel the effect of the drought so much last year, and we probably got hold of a better class of cattle than I think in any other part of the kingdom. I am speaking of Northumberland and Westmoreland and the southern division of the county of Durham and North Yorkshire, and we have to pay a little more for quality.

The Agricultural Holdings Act.

17,524. (*Mr. Clay.*) With regard to the Agricultural Holdings Act, how has it worked in Yorkshire?—I may say that I have had a great deal to do with the Agricultural Holdings Act, as I happened to be a valuer and I have given a great many awards under it. In several cases it has been a very great benefit indeed to good tenants, but I may also say that the owner not having the privilege of claiming upon a bad tenant for deterioration unless the outgoing tenant sends a claim in for his expenditure on cakes and manures, I think many a time the bad tenant has escaped where he ought to have paid, whereas if the landlord had had a right of sending in his claim without the tenant sending in his claim the bad tenant would have to pay considerably. I have known some instances of hardships upon the owner where the tenant ought to have paid.

17,525. Have you found that the procedure is cumbrous and the expenses excessive?—I quite see that, especially when you come in contact with the antiquated forms of agreement.

17,526. What remedy would you apply to save the expenses of the procedure?—I think that the suggestions which will come in from the Central Chamber of Agriculture will improve the Act; they will considerably simplify the Act I know, and I hope they will also cheapen the procedure.

17,527. So that it is your opinion that the regulations, which the Central Chamber are going to bring out, will improve the Act in the direction that we are talking about?—I do.

Payment of compensation.

17,528. And you see no difficulty in allowing the tenant to be paid compensation upon his corn?—As I said there is a difficulty about it, but I put it distinctly that the tenant must give full and sufficient proof that he has consumed that corn. It seems a ridiculous procedure that a tenant can cart his home grown corn to a market, and re-purchase precisely the same quantity, and be allowed upon one and not upon the other.

17,529. You would not allow any compensation for corn consumed by work horses on the farms?—I would not myself; I consider that the work horses upon a farm are part of the necessary appliances of the farm.

17,530. I think if I remember aright you lay great stress upon compensation being given for good farming, increased fertility, and the laying down of grass?—Yes, if it is properly done, of course.

17,531. But if it was not properly done there would be no compensation given?—There ought not to be.

17,532. But especially in the present time when arable land is paying badly, you lay great stress upon having the best land laid down in a good condition that will improve itself by good manuring?—Certainly.

17,533. Indeed old grass cannot be made without good cultivation and cake eating?—It is utterly impossible. You have mentioned cake eating. There is one point that under the present system of administering the Agricultural Holdings Act by the valuers—I do not say that you are bound down to the Act by what they do, but still the present system of administering the Act in our neighbourhood, and in Durham and Northumberland, is that the tenant is allowed one-third of his expenditure in cakes, during the last year of his tenancy and one-sixth on the previous year, but omits it in the previous years; but a tenant having been two years on a farm receives precisely the same payment as if his expenditure in cakes and manures had been going on for 30 or 40, or 50 years, and had been using a large amount of cake during the whole of the time of his occupancy of that farm, and I think he is certainly entitled to a considerable deal more than the tenant who has only been using cakes for two years. Any practical man can see at once, especially on grass land, where cake has been largely used, and the intrinsic value has been increased in that way by that large expenditure on cake.

17,534. (*Mr. Chaplin*). Is it not a fact that under the Agricultural Holdings Act there is no limit placed upon compensation to be given for cake?—I am quite sure of that, but under the administration of the Act that is limited. This is now growing, I am afraid, into a custom.

17,535. But then it entirely depends upon the valuer?—It does.

17,536. If the valuers carry it out strictly they have the power to deal with it in that way?—Yes, but if that were placed in the schedule with the intimation that it ought to be paid for that would be better.

17,537. (*Mr. Clay.*) In your large experience in the laying down of grass there is nothing pays the tenant or landlord better than to have it laid into old grass, and that can only be obtained in 20 or 25 years by a continual application of cake, especially by sheep. Is not that so?—I quite agree with you, and you cannot make that grass into really good grass under about 30 years.

17,538. And grass is like anything else, it can only be made by feeding?—By feeding, and continuous feeding.

17,539. I suppose you would say that cotton cakes and other cakes are the most beneficial?—My experience is that there is nothing improves a farm so much as the continuous use of cake.

Claims and counter-claims.

17,540. As regards claims you say justly that they should be made on the same day?—Certainly. I think that would prevent to a great extent large counter-claims which are made at the present time and I should like to see that word "counter" entirely eliminated. I think that the landlord is in many instances at as great a disadvantage as the tenant. The claims ought to be made on the same day so that one does not know what the other is claiming.

17,541. Do you say that the landlord is at a greater disadvantage than the tenant?—I would put him in a better position than he is at the present time and justly so, because I would do away with that part of the present Act which says that the landlord cannot claim under the Act unless the tenant sends in his claim.

17,542. The tenant must first set the Act in motion at the present time?—The tenant must first set the Act in motion. I may say that I act as much for the one as for the other. I have often thought that is an injustice.

17,543. I know that you have been largely employed both for landlord and tenant and that is the reason why I ask you for this information, which would be of great value to the Commission. Then you say also that the incoming tenant when he enters a farm that farm should be reported upon so that it might be a guide to direct the parties both as to dilapidations and as to the compensation?—I think it would be useful, and I think it would be a very great assistance to the estate agent as well.

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17,544. Is any person better qualified than the agent to do this?—No, he ought to be qualified if he knows his business.

17,545. If he does not know his business?—Well, if he does not know his business, he ought not to be an agent upon the estate.

Arbitration.

17,546. Then about the difficulty as to the expense of the procedure under the Agricultural Holdings Act. What do you say as to the quarrelling over arbitrators and referees? We have had it pretty plainly stated that the County Council should name a certain number of referees to lay before the Board of Agriculture and that their professional assistance should be used when it was wanted?—I think that would be a very great safeguard, and would, in many cases, simplify the expense in many arbitrations, and I hope that you will do away with a certain class of men that I should like to see eliminated.

17,547. You think that those referees should be drawn from practical agriculturists, farmers, and land agents that are practical men?—Certainly.

Law of Distress.

17,548. What is your opinion about the law of distress?—My opinions as to the law of distress are pretty well known. I should like to see the law of distress distinctly abolished, but I do not think that since it has been reduced to one year, it has had the same effect as it had, when there were six years.

17,549. But still you would have it reduced to six months, the same as the record in Scotland?—Yes.

17,550. We have been told that it benefits the small farmer?—I very much doubt it. If it does benefit the small farmer, it benefits him at the expense of the capable man, also a small farmer.

17,551. How does it suit the common trader?—It is distinctly against him.

State loans.

17,552. You say you are in favour of granting state loans for the purpose of agricultural improvements. May I ask you what per cent. you would like to be charged on the money lent?—At as low a per-centage as the State can possibly afford to lend it.

17,553. What do you consider a proper per-centage?—That question I have not gone into. If those loans are spread over 30 or 50 years I think the money might be lent out at a very low rate of interest.

17,554. What interest would you say?—Three to three-and-a-quarter per cent.

Payment of compensation.

17,555. (*Mr. Chaplin.*) One word about home grown corn. You say, of course, the tenant must give proof that it has been consumed?—Certainly.

17,556. Can you suggest any means by which satisfactory proof can be given as to how much is consumed?—I think you might come at it in one way. There is no doubt it is increasing the cost of the arbitration to a certain extent, but supposing they were allowed for, if one man or two men were to go and see the crops, and put their value upon the crops in the Autumn just before the harvest, then you could deduct from your estimate the amount sold off. That would be to a certain extent a check, and he might, when he sends the meal to get it ground, produce his quantities.

17,557. But is not that suggestion open to this difficulty: that in 99 cases out of 100 the tenant is not going to leave? The tenant hopes that things will be better, and means to stay on, and yet in order to carry this out the valuation of every farm must be taken every year in case he should leave?—No, only in the case of those who have given notice. I may state with regard to this that I have been always opposed to it up to the present time, but owing to the very low price of wheat, I think that it is most absurd for a man to sell his wheat at the present time.

17,558. (*Viscount Cobham.*) Would you restrict this compensation to the last year?—No, I think he might be fairly entitled to a couple of years.

17,559. (*Mr. Chaplin.*) The compensation that he would be entitled to upon the estimated manurial value?—Yes, it would be one-fourth and one-eighth in our neighbourhood.

17,560. But your proposal clearly is thus: that it can only be carried out by the means you propose, namely after a tenant has given a notice to quit, then a valuation should be made?—That is the means that I suggest.

17,561. His crops must be valued while they are standing, and an estimate made of what he has probably consumed?—Unless you are satisfied that he is giving a true account.

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17,562. (*Viscount Cobham.*) That does restrict it to one year practically?—It does not exactly restrict it to one year, because if you had fairly good proof what the farm was producing in one year, it would be a guide for a proper allowance.

17,563. (*Mr. Chaplin.*) But the amount of his crops might be very different from one year to another?—They might be.

17,564. So that you see difficulties?—I see difficulties about it, but I think that it is absurd that a man having to sell wheat at 25*s.* to 26*s.* per quarter, should be able to cart it five miles to a market and re-purchase the same amount, and yet be paid upon the one and not upon the other.

17,565. I agree that there is a great deal to be said on both sides?—Yes, there is.

17,566. With regard to the proposal that has been made that a record should be kept of the condition of the farm both on quitting and entering. What is usually your experience as to the condition of the farm when it is left? Is it generally, or in the majority of cases, in better or worse condition than when it is entered upon?—I have seen them both ways.

17,567. What is the general drift of your experience. Is not it usually the case that the condition of the farm is worse upon entry more commonly than the other way?—Well, I have known farms considerably improved.

17,568. In some cases; but in the majority of cases it would probably be the other way?—Probably it might. I do not know that there is very much balance in that way.

17,569. If that was the case it would rather hurt the tenant?—I might say that I have to go over a large farm within a fortnight from this time, and I have heard that the tenant has very considerably improved it. I have not seen it yet.

Relations between landlords and tenants.

17,570. You told us that the relations of owners and tenants in your district were very friendly. Would you go so far as to say this: that as a rule you can get any reasonable amendments or alterations in the agreement upon which you hold the farms there, if desirable?—In many cases you have. A great difficulty very often arises; when the solicitor happens to be acting as agent.

17,571. Where there is a solicitor instead of a practical agent then difficulty often arises?—Quite so; where there is an incapable agent.

17,572. That is from ignorance of their business?—It is; but if we have an agent who is a practical man we have not the difficulty.

Reduction of rent.

17,573. You have been able to make your demands felt where you have asked for a reduction of rent?—I may say this, that my landlord has always behaved well.

17,574. Would that apply generally in the district?—I might say that I have spent thousands of pounds upon the farm that I hold under him, and I am trusting in his honour; I have known him, and his father before him.

17,575. I think yours is rather an exceptional case, but what I should like to know is, generally speaking, whether tenants have been able to get a reduction where it is fair and right to have it?—It has been very often left to valuation, and I have valued thousands and thousands of acres for reductions of rent. Sometimes I have acted for both; sometimes for the tenant, and sometimes for the landlord. I have had a great deal to do with a number of farms belonging to the Duke of Cleveland in 1881, and also Mr. Bowes and others.

Deterioration of farming.

17,576. I think in your proof you say that there has been great deterioration generally in the cultivation?—Yes, there is a deterioration, decidedly.

17,577. And that is owing to bad seasons and bad prices?—Partly to bad seasons and partly to bad prices, and to tenants having lost hope.

17,578. The occupying owners are the greatest sufferers of all?—I think they are; they are hit both ways.

Causes of depression.

17,579. So that it comes to this; that although amendments of the Agricultural Holdings Act may be

very right and desirable, you would not go so far as to say that any alteration of any of the provisions of that Act by way of giving compensation to an outgoing tenant would be in itself a remedy for agricultural depression?—Certainly not; it would not advance prices.

17,580. The real causes are bad prices and bad seasons?—Yes, and the reduced demand owing to bad trade in the district, and also the very great number of labour disputes which interferes with the trade of the country.

17,581. There could be no effectual remedy then except by an improvement in these respects?—There is no doubt about it.

Condition of labourers.

17,582. The labourers you say are better off than they used to be. Is there as much employment in your district for them, or is less labour employed?—I do not think there is much less labour employed. Ours is a district where a great number of roots are grown, and a large quantity of stock is kept.

17,583. The labouring class have not suffered?—I do not think they have suffered.

Reduction of rent.

17,584. (*Mr. Lambert.*) You said that some farmers who had been farming highly had not got as much reduction as those who have impoverished their farms?—That is so.

17,585. What is the reason for that?—Because in some cases that I know of, advantage has been taken to a certain extent when the farm is in a good state, where the tenant will not leave if he can come to any reasonable terms, and in the same way a tenant has remained in some cases where the farm has been really in a bad state, and it would not be taken because it was only worth so much.

17,586. So that the landlord in that instance has taken advantage of the high farming of the tenant?—I know some cases distinctly where that has occurred.

Drainage.

17,587. You say that the increase of your own rent was on account of the drainage payments not having expired?—That was drainage done under the lands improvement at 6¾ per cent.

17,588-90. What is the time limit which would presumably exhaust the value of the drainage?—Well the number of years taken by the Lands Improvement Company was 22 if I remember rightly. The arrangement with my landlord is 24 years, but I think that where the whole money is paid a very fair arrangement would be 28 years.

17,591. Has the drainage or the value of the drainage to the land expired at the end of 25 years?—No, I do not think it has. It depends very much upon the land, some drainage will last much longer than others. Drainage that has a good fall will last longer than a flat drainage.

17,592. Would you be in favour of a tenant breaking a piece of land on giving the good value that has accrued to the incoming tenant?—That is practically the free sale of his full improvements in the farm.

17,593. No; if a man came in and took a piece of land at 15*s.* an acre and left it worth 25*s.*, would you give him the capitalised value when he quitted?—That is very difficult indeed to estimate. I have been over a great amount of drainage in Northumberland and in a dry season like this it is very difficult to say how much is due to the season and how much is due to the system of drainage. I do not know how you would estimate it.

Payment of compensation.

17,594. Would you affirm the principle of giving the tenant compensation for the improvements that have increased the lettable value of his holding?—I do not believe in the free sale system.

17,595. That is not free sale?—It is practically so. I will put it in this way; it would be much more satisfactory both to the owner and the occupier if the improvements were scheduled under the Act than to give the tenant the free sale of all that may have increased the letting value of the farm up to the time that he goes out.

17,596. I was not suggesting free sale; that means that he would put his improvements up to auction to any one. I was suggesting that the compensation should be made by valuers as at the present moment?—Then I do not think that the valuers could estimate that compensation.

17,597. So that you do not think that the valuers are competent to estimate?—I think in one case they might estimate at very much more than it is worth, and in another case, owing to the adverse season, at very much less.

17,598. But if they are judges of their business they could do that?—I do not think so.

17,599. So that they would not take the season into consideration in estimating the compensation?—They would probably take the season very much into consideration, but they might give an allowance for drainage owing to a dry season, thinking that the drainage was right, whereas the drainage was wrong, but the land looked dry owing to the season.

17,600. I do not want to go into the difficulty of estimating the compensation; I want to know the principle to go upon?—I would much rather pay upon the proved expenditure and allow a certain number of years upon that.

17,601. There you rather estimate the compensation upon outlay rather than on the value of the holding?—I think so, because I think it is much safer to both parties. The landlord must be carefully guarded to see that the money is properly expended.

The letting of farms.

17,602. Do you get a good many applications for farms?—Nothing like the applications for farms that we had in the 'Sixties and 'Seventies.

17,603. What would be the size of the farms?—Farms of any size with us.

17,604. How many applications would you get for a farm of 200*l.* a year rent?—A gentleman told me the other day that he had, I think, 12 applicants for a farm of 1,200 acres.

The fixing of rent.

17,605. How are the farms let, how is the rent fixed?—The rent is fixed between the agent and the tenant.

17,606. But would the would-be tenants bid one against the other?—They are not fixed in that way. In a few cases they are put up to competition, but especially on the large estates they are not put up to competition. As a rule the owner selects the best tenant he can get hold of on the condition that he pays the old rent or what he considers a fair rent.

17,607. You would schedule all the fields upon the farm, I understand?—Yes.

17,608. Would not that raise to an enormous extent the expense of valuers and such like?—That might be done as I said before for an expenditure of 10 guineas on a 400 acre farm. I think it would be well worth while to do it.

17,609. You told us that you gave evidence before the Duke of Richmond's Commission which sat on agricultural depression?—Yes.

17,610. I understand you to say that in your judgment agricultural depression has been continuous since then, and is worse now than it was then?—I consider so.

Fall in prices.

17,611. And that the fall in prices is the cause of that depression?—I think that I may say fairly that at the present moment the depression is as much felt, if not more than ever it has been, in our neighbourhood, especially owing to the very low price of beef, because we are large feeders in our neighbourhood, we feed a very great number of cattle, and it has hit us very hard indeed.

17,612. I see you do not appear to have attributed any attention to the connexion between the fall in money and the fall in prices?—I have always left that question to the specialists.

Payment of compensation.

17,613. In the case of farms passing from hand to hand, are not allowances ordinarily made in your district by the valuers for unexhausted manurial value; have not you some rough and ready plan among yourselves of giving some compensation?—Yes.

17,614. Who pays for that unexhausted manurial value?—The entering tenant as a rule.

17,615. I notice that you said you thought more compensation ought to be given in cases of continuous high farming than is given now?—Yes.

17,616. Would you have that paid for by the incoming tenant, or by the landlord?—Paid for by the landowner, because the rent would depend upon that.

17,617. In that way it would naturally be so, you would not make the incoming tenant pay twice for it?—Certainly not.

17,618. (*Mr. Gilmour.*) Going back to this question about getting compensation for high farming; you have admitted that there would be very great difficulty

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often in carrying it out, perhaps by valuing the standing crops?—There is a difficulty.

17,619. Would it not be a simpler way probably if a man could produce proper farm books with accounts for several years back, and take that as the basis?—There is no doubt about it, but you would only get that in one case out of a hundred.

17,620. But if it became known, would it be an inducement for them to keep books?—Yes.

17,621. And that would be not only an advantage to the farmers on that particular point, but in connexion with all their business?—Certainly.

Claims and counter-claims.

17,622. We have had put before us by another witness that, in his opinion, it would be a good plan for the tenant to deposit his claim for compensation, say two months, before the termination of the tenancy, and the landlord one month, thus giving before the termination of the lease an opportunity for the tenant to put to rights probably a great deal that the landlord claimed upon, would you think that that was a workable and a good plan?—I think it would be very much better if both claims were handed in on the same day.

17,623. Do you think in country districts it would be possible actually to get those claims into the hands of some person exactly on the same day?—Yes, there is no difficulty at all about it; not the least that I can see.

17,624. You do not think it would be any benefit if the landlord's claim were sent in a little after the tenant's claim?—I think they ought both to be delivered on the same day.

17,625. What time should you give before the termination of the lease?—As near to the expiration of the tenancy as it possibly could be, and I would also give the landlord 14 days after the expiration of the tenancy for any valuation that would take place with regard to removal of fixtures.

17,626. How many days or weeks before the termination of the lease should the notice be delivered on both sides?—I would suggest either a week or a fortnight before the expiration of the tenancy in order that the tenant should make out a full claim for the consumption of cakes and feeding stuffs as close as he possibly can according to the nature of the tenancy.

17,627. If they both be delivered at that very short time the tenant would have no opportunity of effecting any small improvements such as cleaning drains and fences and sorting gates that he would have under the proposal put forward by another gentleman?—He might do that, but it is very seldom that the tenant would do those improvements, they invariably go to valuation.

17,628. But if the tenant sees it in black and white that the claim is made upon him would it not be simpler and cheaper for him to effect these improvements rather than to face that thing?—I do not think it would for this reason—close to the expiration of the tenancy the outgoing tenant is very busy also in entering upon his new farm and this work would very likely have to be done without his direct superintendence, and he being away at his new farm he would probably pay less under a valuation than he would do in doing the work himself in that way.

Payment of compensation.

17,629. (*Mr. Little.*) As to compensation for home-grown corn it is a difficult subject, but it is not much more difficult than several other matters which a valuer has to investigate?—As I said before the difficulty is not insuperable.

17,630. Where a man gave satisfactory proof he would get compensation, and where he gave no proof he would not get it?—Certainly that would be so.

17,631. There would be no unfairness in prescribing that compensation should be given on due proof?—There are cases where there would be very great difficulty in finding out the proof of the consumption of corn grown on the holding.

17,632. And the use of manures?—Yes; and especially where a man has more than one occupancy, and I may state with regard to that wherever any difficulty of that kind occurs I never would give more than an average on the whole occupancy.

17,633. Then I understand you to argue that the effect of good farming is cumulative?—Yes.

17,634. And that the custom of giving a regular allowance in all cases of a certain proportion is not fair to the man who is above the average in farming?—It is not, and I may state that the very first award under the Agricultural Holdings Act which I gave was in a case near Masham in Yorkshire. I gave a distinct intimation that I had allowed over and above the two years and I fully expected that that would be appealed against, but it was not. I gave it because I saw that there had been undoubtedly upon the gross land a very large amount of cake consumed, and no doubt it was a very considerable improvement. It was the first award I gave, and I wanted that point decided.

17,635. There could have been an appeal on the ground that you had based the award on expenditure and not on the value to an incoming tenant?—Yes.

17,636. The appeal could have been made on that ground?—Yes.

17,637. You remember Sir John Lawes' argument some years ago, that cake consumed and the manure well taken care of was by no means exhausted in two years, and that it might last for three, or four, or five years?—Yes.

17,638. And that if the manure was used or employed in growing increased crops and these were consumed on the farm the fertility would be correspondingly increased?—Of course there is a vast deal of difference. In some farms it is properly taken care of, and in others it is neglected. I have had cases where I would not allow the full value, and these were cases where I found that the manure had been neglected.

17,639. But you find a tendency to settle compensation by a regular scale?—Yes.

17,640. And you think that that scale is unfair to the farmer who is above the average?—Yes, and the longer this goes on the more likely to my thinking is it to become a regular custom, and the more difficult it would be to upset.

17,641. I understand you to say that landlord's dilapidations should be scheduled, and his claim confined to the Act unless the tenant is allowed to claim under custom and agreement as well as under the Act. Cannot the tenant claim under the custom or an agreement?—He can claim under agreement, but there is always a very great difficulty.

17,642. He has a claim under an agreement for his tillages—the farm work?—Yes.

17,643. And the landlord can claim either at common law or under the Act?—Yes, I think it would be better to claim under the Act than to have to go to common law, because the landlord does not like to go to common law. There is a very strong feeling as to deterioration, and I certainly think that there are many instances where the tenants have escaped due punishment, because the landlord is not allowed to claim, owing to the tenant not having put in his claim.

Cross-cropping.

17,644. With regard to cross cropping, you say that it should not be a dilapidation unless the land is left foul and deteriorated. Do you propose to alter the liability of the tenant by law or simply in practice—that compensation should not be given unless there was a real damage?—I think it would be better if it was laid down. Of course it is a pretty well understood thing that you must prove damage if you go into court—that the penalty is no use—the penalty you never get—you simply get the deteriorated value, whatever it may be.

17,645. Would you like to see that put into the Act—that the dilapidation should not be charged unless actual damage is done?—I think so.

17,646. (*Mr. Dalton.*) Are profits made in your district by farmers at the present time?—None.

17,647. None whatever?—That I think I can answer straight.

Rates.

17,648. What are the average rates in the district?—They vary in different places; I think I may say that they will run from about 2*s.* to 2*s.* 6*d.* in the £.

17,649. Have they gone up or down of late years, or have they remained stationary?—Pretty stationary.

17,650. Your remedy is that the land should be rated at one-fourth, or have you any other remedy for reducing the rates?—I said with regard to the Parish Councils that the land should be rated at a fourth, instead of at the full value.

Maintenance of paupers and lunatics.

17,651. You think that the rates should be reduced; have you got any particular plan for bringing that about?—I quite agree with Sir Massey Lopes, who has just given evidence, with regard to lunatics. I have always thought that the lunatics ought to be a national charge.

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17,652. With regard to the maintenance of paupers, what do you say?—I think that might also be made a national charge.

17,653. You do not think that it would lead to the refusal of out-relief?—I do not think it would. I have been a member of the Board of Guardians and Vice-Chairman, so that I have some experience.

17,654. Is there more out-relief than indoor relief?—Indoor relief is a very small proportion.

17,655. You do not think it would increase?—No. In our union the proportion is 780 or 800 outdoor or about 170 indoor paupers.

State loans.

17,656. With regard to State loans for land do you think that they should be lent by the State or the County Council?—I think it would be much better lent by the State.

17,657. You have a precedent in the Small Holdings Act, for the lending of money by County Councils for the purchase of small holdings?—Yes, you have.

17,658. Do not you think that they might more readily ascertain the local circumstances than the central authority in London when they wanted money?—No; I think an inspector would be sent over, who generally knows the property.

17,659. They could borrow at very nearly the same rate of interest?—Not so low.

17,660. But you know that several County Councils have raised money at three per cent.?—We have not raised any.

17,661. You would have no difficulty in raising it at three per cent. stock?—I do not know; we have not raised any yet.

Compensation for improvements.

17,662. (*Viscount Cobham.*) Under the Agricultural Holdings Act does it not frequently happen that the landlord pays the compensation?—Probably.

17,663. But as a rule the incoming tenant pays?—The incoming tenant pays. I have known an odd case or two in the case of a farm a good deal under condition that the landlord could not get his farm let unless he paid, but that practically comes to a bargain between the incoming tenant and the owner if there is likely to be no alteration.

17,664. Under the suggestions which you have made it would be probable that the landlord would have to pay much more frequently?—In the suggestion I make it would be very much indeed for the benefit of the owner, and also for the community at large with regard to good farming, because you generally find that if a tenant knows some time before that he is leaving he does not farm so well during the last year or two, and it would be an inducement for him to keep the farm in good order.

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17,665. But it very often happens, in the south at all events, that rents continue to fall notwithstanding the efforts of improving tenants?—Rent is much more likely to fall with a farm out of condition than in the case of a farm that is really in good condition.

17,666. But there are certain landlords who would put up with a considerable reduction in rent rather than pay a considerable lump sum on the spot?—It is bad policy.

17,667. Are you not making it rather the interest of the landlord not to get improving tenants?—I had a farm myself which I let at 50 per cent. reduction, simply and solely because it was out of condition. And I not only let it at 50 per cent. reduction, but I had to expend 5,000*l.* in putting up some new buildings and new houses and otherwise assist in putting it in order.

17,668. Would not it be perfectly possible for a farm to be cultivated by an improving tenant, and still at the end of the tenancy the rent might fall?—That might be; that would be so if the rent was high before.

17,669. Is not it a pretty common occurrence in the middle and south of England?—It may be.

17,670. (*Mr. Clay.*) You think that land is more benefited by a tenant leaving a farm in good condition than in bad condition?—There is no question about it.

17,671. And even a small compensation would be infinitely better than allowing it to go out of condition?—I may state that a farm which I entered upon was where there was a mortgagee in possession, and the farm was in a disgraceful state, and it is going to cost me quite 5,000*l.* before I put it into fairly good condition. It is let at 50 per cent. less than it was at one time, and 50*l.* a year less than the outgoing tenant offered me for it with no expenditure.

17,672. And the tenant who has gone on improving it is not half so well off as the man who has been slovenly with his farm during the last two years?—I quite agree with you, I would rather take a farm in good condition than one in a bad condition. I took one farm at 400*l.* rent in bad condition, and I know what it cost me. You can very soon spend 400*l.* a year.

17,673. (*Viscount Cobham.*) Would you make permanent improvements without the consent of the landlord?—Some improvements.

17,674. What class of improvements?—I would allow him to do drainage.

17,675. But not substantial building?—I do not think I should.

The witness withdrew.

Adjourned to to-morrow at 12 o'clock.

Thirty-first Day.

Friday, 20th April 1894.

PRESENT:

The Right Hon. GEORGE JOHN SHAW-LEFEVRE, M.P., in the Chair.

Viscount Cobham.
The Right Hon. Henry Chaplin, M.P.
Sir Robert Nigel Fitzhardinge Kingscote, K.C.B.
Robert Giffen, Esq., C.B.
Charles Isaac Elton, Esq., Q.C.
Captain Owen Thomas.
Francis Allston Channing, Esq., M.P.
John Clay, Esq.
Cornelius Neale Dalton, Esq., C.B.
Robert Lacey Everett, Esq., M.P.
John Gilmour, Esq.
George Lambert, Esq., M.P.
William Cutlack Little, Esq.
Walter Hume Long, Esq., M.P.
Charles Whitehead, Esq., F.L.S.

Herbert Lyon, Esq., *Secretary.*
R. T. Crawford, Esq., } *Assistant*
Freeman Thomas, Esq., } *Secretaries.*

Mr. Albert Pell called and examined.

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17,676. (*Sir Nigel Kingscote.*) Perhaps you will state to the Commission the number of acres which you own, and which you have in hand and are farming?—I occupy at the present time 1,034 acres of

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land in the Isle of Ely, which I own jointly with my brother, who is in the Church, and who has nothing to do with the cultivation or management of the property. In Northamptonshire I rent 283 acres of land, therefore I occupy and manage 1,317 acres. I am also owner jointly of the Manor of Wilburton, which is a manor with a considerable amount of copyhold property. It is a valuable manor; it is not a reputed manor, and I am unfortunately the lay rector and the owner of the tithes of Wilburton. I was Member of Parliament for Leicestershire between 17 and 18 years, and I would add also that I am a Governor of Guy's Hospital, and have had for some time, jointly with two other Governors, the surveillance of the landed estates of Guy's Hospital, which are very considerable. I am on the Council of the Royal Agricultural Society of England, and Chairman of the Executive Committee of the Cambridge and Counties Association for procuring and supporting a course of scientific instruction in subjects bearing upon agriculture in the University of Cambridge. In 1879, with Mr. Clare Sewell Read, I visited America as an Assistant Commissioner on the Duke of Richmond's Commission.

17,677. Then we may take it that you are very well acquainted with most of the districts in the south and midland counties of England, perhaps in the north, too?—Not in the north, except by visiting friends, and travelling there. I am well acquainted with Cambridgeshire, and very well, I think, with Middlesex, having begun farming there many years ago, and with Leicestershire and Northamptonshire, of course. I live in Northamptonshire.

Description of land occupied.

17,678. Will you state generally the nature of this land which you occupy?—The 1,034 acres of land which I occupy and own in Cambridgeshire is of very first-rate quality, and probably some of it not to be surpassed anywhere for its productive powers.

17,679. Is it chiefly arable?—We have laid down anything that would not plough with a pair of horses. We have laid down, I think, between 200 and 400 acres in the last 15 years. There is a little inferior land in the parish of Wilburton. Then in Northamptonshire the land which I rent there is mixed and not productive land. It has a better appearance than justifies its character.

Existence of depression.

17,680. Now as to the depression in agriculture, do you consider it is universal throughout England?—As far as my knowledge goes, it is universal. I do not know any agricultural district which has been spared at all.

17,681. But it has been felt more severely in some parts than in others?—It has been felt most severely in Essex, and upon the Guy's Hospital estates there. I think the Commissioners have had some evidence from Mr. Strutt, who is our agent there, but I may say that I have been over all the Guy's Hospital property there more than once.

17,682. From when do you date the depression?—I should say it was first felt in 1879. In 1879 we had an unusually bad season, and that was accompanied by very low prices. 1879 was the the time when people really first got alarmed.

17,683. And from that time to this?—From that time to this I do not think there has been any recovery—there has been no substantial recovery, at all events.

Extent of depression.

17,684. Have certain lands or certain districts felt it more than others?—Yes, I think the lands that have felt it least of all have been the best lands, especially the best grazing land. There is a considerable amount of grazing land in Leicestershire which has been let for three guineas an acre, and I think the rent upon that land has dropped very much less than the rent upon land below it in quality. The land where I think the greatest drop in rent has been, and the most disappointing land to the farmers, has been the land which was considered medium land, and which had been raised to a temporary state of fertility by improvements, the fertility of which, had times been good, would have been maintained, but when times became bad and people became discouraged, they were less generous to the land, and the land fell back and asserted its old inferiority, and the rent therefore has dropped very much.

17,685. Has some land become derelict?—Yes; there is some derelict land that I have been over in Essex, but in travelling, which I have done lately, this year, between Malton and London, over the Great Northern Railway, I only noticed one bit of derelict land all the way down. That has been derelict for some time, and even there I noticed that part of it had got covered with grass, and there were sheep on it. It is a long journey, and that is the only piece of derelict land all the way down.

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17,686. In any other case have you seen it?—No, I do not think I have myself.

17,687. Have you any opinion as to whether the depression has been felt most upon highly cultivated land or where it has been only moderately cultivated?—It would be very difficult to say. I do not think I have formed an opinion upon that point. The highly-cultivated good lands have certainly suffered less; I think the highly-cultivated bad lands have suffered very materially.

Result of high farming.

17,688. Do you consider that high farming would reduce the loss owing to the lowering of the price?—I agree with Sir John Lawes that high farming is no remedy whatever for bad prices; but a farmer who attempted to meet the times by bad farming is more likely to get into difficulties than by leaving it alone.

Character of cultivation.

17,689. Have you seen much difference during the last few years in the cultivation of arable land, whether it has deteriorated for want of working or not?—The arable land is a very reduced quantity now compared with five or six years ago, but I think that it is as well or better cultivated now than five years ago. People have settled down to the difficulties of the times, the land is rented at a lower rent, and people know more what they have to face, and they are concentrating their capital and energies on a smaller area of arable land.

17,690. The result is that some large farms have been divided?—Yes, undoubtedly they have, that has been very much the case.

Land laid down to grass.

17,691. For the benefit at all events of the cultivation of the land?—Yes, and even where large farms have not been subdivided a very great portion of those large farms has been laid down to grass; and therefore that has left a smaller quantity of arable to be cultivated.

17,692. Is having part of these large arable lands laid down to grass a benefit to the rest of the farm?—Yes, I suppose it is. Of course it depends entirely upon the price of straw and stock and sheep whether it is going to pay or not. The newly laid down lands can do nothing in the way of feeding oxen.

17,693. But still it is an economy at all events in labour?—Undoubtedly, and a great advantage to the landowner, because when the land is laid down it is all the time accumulating fertility; it is a savings bank for the landowner, there is no doubt about that.

17,694. Do you think there is a certain proportion of land that was broken up when the prices for corn were high that ought never to have been broken up?—I am clear on that, I have lived long enough to see the whole process from the time that we had free trade. A great deal of the land was broken up then which had very much better have been left alone. Of course the breaking up of the Down land was simply suicidal. All history shows that that was a dangerous thing to have done, but still a great deal of it was broken up.

17,695. And a great deal of that land is still less fertile than it was and will be for many years?—Probably it would be half a century before it would recover itself.

Character of buildings.

17,696. As regards buildings have you observed that the buildings have been deteriorated much?—Yes, there is a good deal of dilapidated buildings to be seen—buildings that are not maintained in thorough repair, and perhaps it would not be well to do so. Take these very large barns, one does not know what to do with them. In the fens we have enormous barns which are unserviceable, and one does not know whether it is well to repair them. One does not like to see anything going to waste, but that sort of building is not kept in very good order in some cases. There were 30 or 40 years back, many buildings erected which are not wanted now, and the owners have perhaps, not the means, at all events they have not assisted to keep them in very good repair.

17,697. But mostly where buildings are being renewed and set up there is a great deal done in the way of labour saving by concentrating those buildings much more than was done formerly?—I think so. People who are putting buildings on land are copying the railroad companies, and putting up wooden buildings upon brick foundations covered with pantiles instead

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of slate, and indeed in Lincolnshire a great deal has been covered, and covered with great advantage too by wood—nothing but boards.

Prices in 1879 and 1893 compared.

17,698. Now will you turn to the causes of depression. Can you give the Commission any of the prices of 1879 compared with the prices for 1893?—Yes, I think I can. Take wheat; in 1879 the gazetted average for the year was 43*s.* 10*d.* the English quarter, and in 1893 it had dropped to 31*s.* 4*d.*—I took that price of 31*s.* 4*d.* out of tables for the purpose of tithe commutation. That shows a decrease of 11*s.* 6*d.*

17,699. That price would hardly be given now for wheat?—Oh, dear, no. I have been selling splendid wheat at 24*s.* a quarter in Cambridgeshire. Then barley was at an average of 34*s.* in 1879, and in 1893 it had dropped to 26*s.* 8*d.*, being a drop of 7*s.* 4*d.* in the quarter of 8 bushels. Oats were 21*s.* 9*d.* in 1879, and they had dropped to 18*s.* 2*d.* in 1893, being a drop of 3*s.* 7*d.* Then taking the whole of the grain together, by the tithe commutation returns I find that the tithe in 1879 was 111*l.* 15*s.* 1½*d.*, and that it dropped in 1893 to 74*l.* 15*s.* 2¾*d.*, being a drop of 34*l.* in the tithe commutation—very nearly one-third—more than one-third of the tithe commutation at 100*l.*, and really going on to one-fourth the old price of 1879 which was 111*l.* Then wool; I fancy that Leicester-wool, long wool alone, has dropped from 25*s.* in 1879 to 22*s.* in 1893, but I should like to say this, that wool in 1879 was not selling at a very high price. I have sold the same sort of wool which was quoted at 25*s.* in 1879 as high as 63*s.* not very many years before. I looked back through the ledgers of my farm and found that was the case. Short wool and half-bred wool has maintained its price better than long wool.

17,700. Can you tell us anything about butter?—Butter has dropped in price since 1879, but it has not dropped in price since 1840, or going back to 1850. Milk has dropped since 1879. Excluding this last winter when we had better prices it has dropped about 1½*d.* a gallon, wholesale, in London. I send a good deal of milk to London from Cambridgeshire, and have also sent some from Northamptonshire, so that I am acquainted with the prices of milk.

17,701. Now as to the prices for the different qualities of dead meat and other things?—I think that the best qualities of meat, and of poultry, and of cheese, and of eggs have not gone down in the same proportion, if at all. Good Devon beef and small Southdown mutton, and small Herefords, and good poultry such as from Guildford, and good eggs have not gone down. The common egg tasting of straw has dropped in value.

17,702. What have you to say as regards the price of foreign feeding stuffs and artificial manures?—They have dropped very much indeed. Cotton cake and linseed cake, and artificial fertilisers have dropped in price, and also nitrate of soda, and I think, especially, sulphate of ammonia and superphosphates.

Causes of the fall in price.

17,703. What in your opinion has been the chief cause for the fall in price?—Well, the immediate cause has been foreign competition; the introduction of a great quantity of stuff from over the sea which has been of late years, and every year, brought in upon the easiest of terms to the freighter by the improvement in the steam-engine, by the introduction of steel into the building of the ship, which has greatly increased its carrying capacity, and so forth. Then there is a general reason to my mind which is hardly sufficiently considered, and that is the extraordinary competition there is going on among us all, the endeavour universally to beat down the inventor. When a man has brought out a labour-saving machine, or some method of conducting his business in an economical way, he is not very long left in possession of the advantages that he obtains in that way. All over the world there are people immediately ready to improve upon his invention. Directly the invention is improved upon, that man *pro tanto* is damaged in his income, and in many cases entirely ruined. Take a very common illustration. Look at the history of the carrying by sea; the sailing ship gives way to the steamboat—the paddle boat in the first instance. The sailing ship is nowhere. I can remember the day when these paddle vessels came upon the scene, and now the paddle boat has gone. Then came the screw steamer, which knocked the bottom out of the capital put into the paddle vessels; then there came the expansion engines—triple expansion engines, and now quadruple expansion engines, which will probably damage and seriously injure the capitalist with engines already built.

17,704. And this enables, in your opinion, the steamboat and other companies to bring this foreign produce at a very cheap rate?—Certainly it has; but I also want, if I may be permitted to do so, to point out that it is not land only or farmers only that are suffering from this, but all other industries are suffering in almost exactly the same way. There is hardly one that can be named which is not suffering from this fierce competition which is going on in the human brain, you may say, in the ingenuity that a man shows to break down his neighbour's advantages, whether it is in land or in farming, or in trade, or in the production of some articles of commerce.

17,705. Are you aware whether the quantity of flour that comes over now is increasing?—Yes.

17,706. Do you consider that it is a great loss to the country in not getting the offal of that wheat, or whatever it may be?—I think that is a very great loss to the country. Of course, I do not see any way to obviate it, but the offal from wheat is now, I believe, I speak with some hesitation, but I think that it is worth nearly as much as wheat itself per ton.

17,707. And that is all lost to this country?—Yes; not only that, but I think that we get inferior bread; the white bread from roller mills is very unsatisfactory eating.

Reduction of rent, and assessment to rates.

17,708. Now would you turn to the next subject. What complaints of the depression do you hear, and what do you hear are the causes of the depression?—I take it that what practical men complain of is not so much the reduction of rent as the slow way in which the reduction comes. I am chairman of the assessment committee of the union where I live in Northamptonshire; and there I have got my committee to make it a canon that rent is to be the absolute criterion of the assessment to the poor rate, and therefore I have the opportunity of seeing all the agreements, or failing the agreements, the receipts for rent brought into the room by the tenants who object to the valuation. I have constantly had this sort of case come before me. A man says, "Well, sir, I have got no reduction on my rent, but I "have got an abatement, I have got a return, an "allowance." I am always obliged to say, "I cannot "do anything for you to reduce the assessment." I have known cases go on for two or three years before the man has got a reduction of the rent and before he has been able to say, "There is a new agreement with "my landlord; he has granted me a real reduction in "rent" I think that they do complain of that, but I do not say that the landlords are to blame for a moment, because it is the fact that men would not make permanent reductions of rent without a very great consideration as to whether time would not set them right again.

17,709. Latterly has the reduction been made permanent so that you could on the assessment committee meet it?—It has, to a very large degree. I am clear that the reduction of rent in the union of Northamptonshire, where I live, amounts to from 34 to 35 per cent. since 1879, or since a later period than that. Then men complain of the slow drop in the tithe rent-charge. One complaint among the farmers which was more rife a little time ago was that the tithe should not be based upon the seven years' valuation of grain, but upon the current year, but latterly you do not hear much of that. Still it was one cause of complaint.

Income tax.

17,710. As to the taxation, what do you say?—Well, as to inequitable taxation, I would say that complaint is very rife among the landowners and among the tenant farmers. Take the tenants first, they think that they are taxed on profits which they have not made, paying under Schedule B. Well, the answer to that is complete at once—that they need not be taxed if they make no profits; and if they are so unwise as not to ask for the return under Schedule B. they must suffer for it. Then with regard to owners, there is a complaint which is very general—that they are taxed upon gross rent under Schedule A. Well, then, that is to my mind a real cause of complaint; that is to say, that if a man, a tenant, pays a landlord 100*l.* a year for rent, the landlord will have to pay 8*d.*, I suppose, now—previously he had to pay 7*d.*—in the £ upon 100*l.*, though he never received 100*l.*, having had to spend 10*l.* or 20*l.* for keeping up the farmers' premises in such a condition that the farmer is able to pay his rent. But a great deal has been done in the interest of men like myself, occupying their own land, through the Inland Revenue Department. There you are put in a very different position. For instance, take my own case at Wilburton. I am

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taxed upon the whole income that I make from the estate as owner and occupier. All repairs that I do upon the property are taken off the gross return, whereas if I let the estate I should get nothing off the income tax. With reference to the repairs that have been done upon the property, of course, the Inland Revenue people naturally say that a builder's account putting up a cottage must not be classed among repairs. For that I should not be allowed any reduction; but, furthermore, I get another benefit by occupying my own land; if I am able to show that upon the estate there has been a clear loss—that I have lost by it, we will say, 200*l.* a year, and that I have received an income of 200*l.* from the London and North-Western, and paid property tax upon it, can I go to the Inland Revenue and ask them to return me the property tax that I pay on railway dividends, because of the loss of income on the estate I brought the memorandum "A. $\frac{2\text{-}93}{I}$" of the Board of Agriculture, with me, because I think it would be very serviceable to landowners, if the Commission would print it in the Appendix, It is a very well-known memorandum to people who look after their own business thoroughly, but I am surprised to find how many landlords and agents are not in the least acquainted with it. (*See* Appendix IV.)

Property tax.

17,711. Well, then, you gain very much by being an occupier as well as an owner?—I think I do with regard to the property tax, undoubtedly.

Rates.

17,712. Well then, as to the local rates, what do you say?—The local rates, of course, have been a source of dissatisfaction to the farming interest, and, perhaps, as much to myself as anybody, because I took a very active part in dealing with that question when I was in Parliament. I think that the system of rating is inequitable still, and that the occupiers and owners of land are specially rated for purposes for which they ought not to be rated. We got off, when I was in Parliament, a very large amount of the cost of maintaining the police, but not the whole of it. I do not see why there should be a special charge levied upon land, and upon the occupiers of the land, for the maintenance of the police, or for the courts of justice, and for the lock-ups in the petty sessional divisions. We got rid of the whole cost of prisons; that was something gained, but I cannot myself see upon what ground these special charges upon visible property can be maintained.

17,713. As regards lunatics, what would you suggest?—As to lunatics again, we cannot make lunatics as we can make paupers; we might have further assistance there. We do get considerable assistance from the State for pauper lunatics. I should like, if I might be allowed to do so, to point out what might be done in the way of relieving oneself from rates by better administration. I think that there has been very great neglect on the part of both the owners and occupiers of land in the administration of rates. There is a terrible waste, a most terrible waste from neglecting and from not dealing with the whole question economically. Now, I have brought a comparative statement with me of the rating of the union in which I live in Northamptonshire, and in which I have been a guardian for a very considerable time. If the Commission would allow me I would just give a statement of the benefits that union has received from a careful administration of the rates as we have got them. I suppose that within the last 16 years there cannot have been less than 70,000*l.* saved to the occupiers, and through them to the owners of land in respect of the poor rate alone—the administration of the out-door relief alone. I have some figures here which I should like to give to the Commission. The comparison is between 1893 and 1873. In 1873 the district paid 521*l.* for the maintenance of the indoor poor; in 1893 it paid 759*l.*; in 1373 it paid 5,660*l.* for the maintenance of the out-door poor—that was for the year ending Lady-day in every instance. In 1893 it only paid 177*l.*, and that has dropped still lower at the present time. Therefore, there is a clear saving of 5,500*l.* a year in that one item alone by good administration.

17,714. Do you attribute that to economy and good management?—Nothing but that whatever. In 1873 the lunatics in the asylums cost 420*l.*, now they cost 470*l.*; in 1873 the salaries of the officers were 907*l.* and now they are a little more—974*l.* In 1873 the other expenses were 782*l.*, and now they are 449*l.* Well, then there are the highways which cost us 800*l.* more than they do now; in 1873 the highways cost 3,692*l.* for the year, and in 1893 they cost 2,836*l.*

17,715. (*Mr. Little.*) Is that in a highway district?—It is for all districts.

17,716. No roads are taken out?—No, there is a contribution for the county rate for main roads.

17,717. (*Mr. Dalton.*) Does that account for the difference?—No, I think it is better construction. The surveyor understands his business of metalling the road better. The burials board stand by themselves entirely, and the sanitary authority stands by itself. We have very few school boards, thank God for that, and they do not come into the general expenditure of the union. The school attendance committee is a new charge; and registration for births and deaths about the same; vaccination expenses were more; they were 201*l.* in 1873, and now they are 54*l.*

17,718. What do you say as to the sanitary authority?—The sanitary authority spends as a union 266*l.* That is a general expense; the special expense would be very much heavier. A great many of the parishes are thoroughly sewered now.

17,719. Can you give the Commission what is the result as regards your rating in the £?—The rating in the £ I had got out for me yesterday. The rate for the maintenance of the poor for the whole year is 4½*d.*, and I suppose it used to be before I began the reform—it is difficult to say accurately—probably over 1*s.* 1*d.*, but if wished I can furnish you with that. I have not got the rate in the £ in 1873, because in 1873 the rate in the £ would give no measure really of the extravagance or otherwise. The assessment was good for nothing.

17,720. (*Mr. Lambert.*) Have you got the total amount of the expenditure in 1873 and 1893?—The total amount of the expenditure, taking in the special items and new items put on by modern legislation, the total expenditure for 1893 is 10,130*l.*, and in 1873, without all these new charges which have been imposed by modern legislation, you might say was 15,000*l.*; the actual figures are 14,950*l.* So that, of course, we have got a considerable relief in the district by better administration—a very sensible relief.

17,721. (*Sir Nigel Kingscote.*) Have you got anything else to say on the subject of rates before we pass to the next subject?—No, excepting this, that I think that the land is at a disadvantage in one way. What I would call the "fugitive" capital of an owner or a tenant in farming is rated directly. If I put 1,000*l* into my farm which I rent, which I could do by consuming cake and putting artificial manures and dressing up the land thoroughly well, I should be rated upon it because it would be said that the land would command a better rent, but if I put 1,000*l.* into loose frame work, machinery, and machinery in a factory in Leicestershire I am not rated at all. The assessment committee only gets the rate resulting from the assessment on the bare fixtures and its walls, but I can just almost as quickly remove this improving capital by scourging and by taking the inside out of the land in three or four years as I could by moving my frames out of the factory. Still, in the case of the land, undoubtedly the improvement would be rated, though it is of a very fugitive nature. It is not like putting a building on the land—that remains there. I think you know as well as anybody what face can be put upon land and on its condition by these temporary stimulants and operations.

17,722. You consider that the land thereby suffers, and it is not an equitable assessment?—I think it does suffer in England, but not elsewhere, bearing in mind the case of Ireland with Griffith's valuation, where the valuation appears to have been upon the inherent qualities of the land and its capabilities for getting rent. I hope it will not be thought that I am advocating anything of the sort; it is far beyond me to go into that question.

17,723. (*Mr. Lambert.*) What is the rateable value of your union?—The gross estimated rental of the union is 124,724*l.*, and the net rateable value is 106,416*l.*

17,724. (*Mr. Dalton.*) That is at the present moment?—Yes, the county assessment and the union assessment nearly coincide.

17,725. Has it gone down since 1873 or up?—That is a curious thing; in spite of the reduction of the value of the land, and although we have not a single manufacturing village in the union the assessment has been kept up, and in this way: I insisted upon the London and North-Western being assessed at its full value, and we had a very serious tussle with them. We went before the quarter sessions, and it took three

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days to decide the case, but we held our own, and we got a large increase of rates. We never should have been able to do it if we had not been able to prove to the court that every other hereditament in our union was assessed at its value. Therefore we insisted upon the railway being assessed at its full value. Then the borough of Northampton formed a reservoir in our union for supplying Northampton with water, and their mains go for a considerable distance through our union. We are now proceeding to assess that at its full value. We are obliged to call in competent valuers, but it has helped us very materially, and we are now proceeding to deal with the telephone.

17,726. (*Chairman.*) It is rather peculiar in your union your getting this assistance, is it not?—I think in the Union of Ely the Great Eastern Railway Company's assessment was raised 22,000*l.* I am not quite sure about the figures, but it was a very large increase, and so relieving agricultural land. The maintenance of the assessment in our union in Northamptonshire has been through this assessment of the railroads and waterworks.

17,727. Do you think that the rate for the maintenance of the highways presses harder upon the agricultural interest than it should do?—I think it does. I always was against the removing of tolls myself; they are very disagreeable on a wet night if you are fumbling about in your pocket for *6d.*, but still that was a great deal pleasanter than the increased charge put upon one's land. I think that we suffer there. It is a very difficult thing to say whether a good road is made for the sake of the brewer, we will say, in Northampton, or for the sake of ourselves for our getting our beer, but I think that the land has got the worst of it.

17,728. The agricultural interest have used it less and have to pay upon a higher value?—Yes.

Cattle disease.

17,729. Now, turn to another subject. As regards the diseases of cattle, did you suffer from that in times gone by in your district?—We have suffered a good deal. We have suffered of course from the old rinderpest, and then we have gone through the usual course with the pleuro-pneumonia, and we have suffered very much from foot-and-mouth disease, and I am sorry to say that we are dreadfully afraid of anthrax, which has got close to my farm, and it has become a serious calamity. What the farmers feel and what I feel with them is that there should be great hesitation before foreign cattle are admitted from any country where there is a suspicion of foot-and-mouth disease or pleuro-pneumonia.

17,730. And in these times of very low prices of stock it would be felt still harder?—It would be fatal to us.

17,731. Do you think there is any difficulty in obtaining store stock?—I do not, but then I am a breeder.

Labour.

17,732. Now as to labour, what do you say with regard to the agricultural labourer of the present day?—Well, I think we are just in this position, that a few years ago there were always a number of men what you call hanging about, and they were very useful to us when we had occasional work to do, such as threshing and draining in winter. Now there is hardly any of that sort of labour to be picked up; we are obliged to rely upon the regular hands of the farm.

17,733. Do you think that the young men, sons of agricultural labourers, do not bring themselves up to farm work as they used to do, but go into towns and get away from home?—They do undoubtedly; they are very anxious to get into the police; and in Cambridgeshire we find they are anxious to go into the east of London to work with Pickford's vans, quite young fellows; that seems to be their desire.

17,734. Do you think that the farmer will suffer from the want of workmen, rather, skilled workmen, such as hedgers and thatchers?—I think that he has suffered lately, but I fancy that they are bringing up some of the young hands to this work, at least, I have myself several young fellows that are being trained to it.

Bad seasons.

17,735. Do you consider that the seasons have affected the crops very much since 1879?—Very much indeed. I do not think we have had a really good year, unless it was 1884. There has always been something in the seasons that has gone against one very much, either from wet or drought Last year it was a splendid year to live in, but it was a bad year to farm in, we were very much pressed indeed by the drought.

17,736. As regards railway rates, have you anything to say as to that; you sell milk?—I must say that I have nothing to complain of. I hardly see how one can suggest a complaint in this way. I am not a large consignor of stuff over rails, but I send my cattle over them, and if the railway rate was excessive I should drive the cattle. I cannot think that the rate for carrying a gallon of milk 74 miles by an express train for 1*d.* is an excessive rate.

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17,737. Over how many miles is it?—74 miles from where I live. I wished the railroads would do something about delivery, and when I was in Parliament I pressed it upon Mr. Allport and some of the other managers of the railroads to do something in the way of delivery of the milk, so as not to leave it in the hands of the milk contractor. A farmer cannot sell a churn of 10 or 12 gallons of milk without passing it through a contractor's hands. He contracts with the man who carries the milk from the railway station to the dairies. If the railroad companies would organise a scheme for delivering the milk not in small quantities, but in quantities of not less than 20 gallons in the cans to the dairies in London, I think that the farmers would have a better chance.

17,738. The contractor is really a middleman between the farmer and the dairy?—Yes; and then the dairy stands between the kitchen where the milk is consumed and the contractor. I might say that when I spoke to Mr. Allport about delivery to customers some years ago, he said that it could not be done. I said, "Now Mr. Allport," he was not then Sir James Allport, "if "the London and North-Western do it do you think "you could not find out some way of doing it?" and he said, "Of course, we should have to do it directly."

17,739. Would that apply to cattle or sheep alive or mutton or beef dead?—Fresh meat is delivered in small quantities in an extraordinarily rapid way. The rate for fresh meat or poultry from where I live to London is half of three-farthings a pound only, and this is delivered within a very short time from leaving the farm to the kitchen in London.

Tenure.

17,740. As regards the tenure of land do you wish to say anything about that?—I hardly know whether you use tenure in the sense of ownership of land or of occupation of land.

17,741. I meant the occupation of land. Have you heard any complaints of that?—No, I do not think we do now. A few years ago there was a universal complaint that people could not take leases; now one hears nothing at all about leases. Some years ago, when the Agricultural Holdings Act was discussed in the House, a longer notice was demanded for quitting, but now people are glad to get out at a very short notice. I do not think that there is anything to be said against the tenure of land; it is just what the owner of the land and the tenant like to make it. I have some in Leicestershire upon a tenure of never more than 12 months, the agreement only requires 12 months' notice. It is a printed agreement and I have no trouble. I say, "If you like to give it up at the end of 12 months "you can, but if you will stop on the land, then you "can come and sign another agreement."

Restrictions.

17,742. As regards the restrictions as to the cropping of land have you anything to say to us?—I think they are very necessary. I do not think that they can be done without for this reason, I do not think you can, except with danger and disadvantage, depart from some approved and accepted cropping of land. I think people get into difficulties when they do. I am not talking of land near London, for instance, where the custom is to carry a load of hay and bring back a load of horse manure. But take land in Cambridgeshire. I observe now an enormous quantity of straw that is going out of the county. There are these threshing machines packing up the straw, and nothing will make me believe that the land will not suffer, and it will be found out in a few years time.

17,743. You thought that there was some restriction upon the cropping of the farm?—No; if I were to let my land I would impose exactly the same restrictions that I impose upon myself. I do not think that I have sold a ton of straw myself off my own land, I am sure I have not.

The Agricultural Holdings Act.

17,744. Have you heard any complaints as regards the Agricultural Holdings Act?—Yes. I have heard a great deal of talk about the Agricultural Holdings Act. I had a great deal to do with the first Act when it was passed. It was supposed to be a panacea for all the

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evils of agriculture, and then the amending Act of 1883 was considered further to meet the difficulties. I think the Acts have done good. I think that they have enabled farmers to put artificial manures upon the land, with a certainty of getting their money back. On the other hand I view with great suspicion the valuations that are connected with all these stipulations for improvement. My own experience leads me to distrust excessively the work of valuers. There is no work in England that I distrust so much as valuations. Valuation. In a very large degree they are conducted by incapable people and people who go upon no principle. For my own part I do not think that any improvement should be valued which is not visible. If a horse is said to be improved you see it at once; he is stronger, sleeker, and heavier, and you price him on actual view of these conditions; you do not buy him upon an estimate of how much corn the stablemen gave him, and how much cramming he had. So with the land. When you have the mere statement that the land has had so much superphosphate and sulphate put upon it and so much cake eaten upon it, you cannot tell what the cake is like or what the quality is. If in the face of all that, the production is smaller, and the farmer keeps less stock, in the last 10 years we will say, in spite of all the improvements that he can produce upon paper, I say that the improvement is worth nothing, and that is the opinion held by Sir John Lawes. I believe there was a famous case tried in the Irish Courts—I know the Duke of Leinster was on one side in which Sir John Bennet Lawes was called as a witness, and he held very strongly to the opinion that I am stating now, that improvements to be valued should be visible improvements, that there should be something to show for them. Therefore my own feeling is that upon a man going into a farm he should have a most accurate and elaborate statement of the condition of every part of the farm—every gate, whether it is made of oak or deal, how the hooks and hinges are, every gap in every hedge, and the condition of the ditches, and a statement of the land how many sheep per acre it has been feeding, how many beasts—all that ought to be scheduled, and the tenant before taking the farm ought to accept that schedule as an accurate statement of the condition of the farm on entry.

17,745. Who should take this inventory?—It should be made by a capable man, just as you let a house.

17,746. Should he be the landlord's valuer?—The landlord's valuer, and the tenant might bring in his own valuer. He probably would have to see that the statement is a correct one, but it would be a statement of facts and not a conjecture; there would be no conjecture in it at all; there would be no statement as to what had been done to the land, but it would be a statement as to the absolute condition of the land and of the premises; of the condition that it is in at the time when the tenant proffers for the farm, and a statement of what the productive power of the farm has been for a series of years, or during the last three or four years, because it may be 40 years since there has been a change of tenancy. When the tenant goes out——

17,747. Say at the end of 20 years?—Yes, if the gates are found to have no hinges; if the ditches are filled and the hedges out of order; if the sheep kept on the farm are only 80 or 90 per cent. of the number that used to be kept, and the cattle in the same proportion; if the outgoer shows that he has been only selling three quarters per acre instead of four quarters; whatever statements are made as to the use of artificial manures and as to acts of cultivation, there is no improvement. I would like to observe this, that if you let a house a most accurate account is taken of the condition of every room, every crack in the window, every hinge, every door lock; they are all stated, although it is a trumpery affair of only 100*l.*, but when you come to let a farm for a period of years with a rent of 200*l.* or 400*l.* there is nothing of that sort of detail that I am aware of ever put down upon paper.

Tenant's capital. 17,748. Do you think agriculture has suffered from deficiency of capital?—No, I do not. I think that a great many owners and tenants, too, have suffered by sinking too much capital. One of the secrets of successful farming is not to have a farthing more than you can carry on the business with, and the capital is not a very large one that is required for farming now. The capital engaged in farming in England is exactly what the English farmer would sell up for now. If you sold them up now it would not be more that 6*l.* per acre, except to men who had just bought their grazing cattle, and those I estimate at from 20*l.* to 25*l.* per acre.

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17,749. You are aware that a good deal of capital has been lost by farmers, are you not?—An immense capital. I have lost plenty myself.

17,750. But to go into a farm now would not require the capital that it did 20 years ago?—No, it would be undoubtedly less, because his live and dead stock would cost him less.

17,751. Even now, I suppose, you would not like to take anybody as a tenant who had no capital?—No, I would like a man to have capital, and I should like to see the accounts of the farm that he had been holding before deciding whether I should have him or not. I should like to know whether his accounts show that he had been making a mess of his business.

17,752. You would think, then, I suppose, that for many reasons the farmers should keep accounts?—Undoubtedly—the same sort of accounts as are kept by a trader.

Increase of occupying owners. 17,753. Have you any remedies to suggest for the depression?—Well, one remedy is, that I think I should like to see the land more occupied by the owner. I think there must always be a difficulty in the antagonism—the natural antagonism—that must exist between a tenant on a farm and an owner. The tenant, let him be ever so good a man, must be desirous of taking as much as he can—of converting as much as he can of the tillage of the land into money, and he naturally would not think of what is to happen 20 years hence. Again, with all the local work already, a tenant would not, naturally, go in for the maintenance of the roads in such a high state, or the making of a new road in such a high state as an individual owner would. I cannot conceive that land could ever be so thoroughly well managed under a system of landlord and tenant as it would be if the owners of land were to cultivate it themselves.

17,754. You think that they ought to have a practical education upon the farm?—Yes, I do. I do not see how they could succeed without that.

17,755. Would you wish to see the very large estates broken up into smaller ones?—I would do nothing either to encourage the enlargement of estates, nothing by way of legislation, or to encourage the breaking of them up. I do not see any impossibility with a man of 20,000 acres of land if he had capital farming it—I think he can do it as easily as 2,000 acres.

Technical instruction. 17,756. As regards the education of the tenant farmer, would you wish to see that altered in any way?—No. I wish to see the tenant farmer stick to his father or his farming companions if they are good men and attend the markets regularly, having a liberal mind, and not a bigoted goose who would say that scientific men can do nothing for him. You want a man who would be capable of appreciating any new discovery that is likely to come about in his business, and especially, I should think, you want a good accountant.

Sale by live weight. 17,757. Do you think that any improvement is possible in the system of marketing produce—you have told us, as regards milk in the large towns, but in other ways is improvement possible; would you, for instance, advocate the weighing machine?—I would, very much indeed.

17,758. For both store cattle and fat cattle?—For both store cattle and fat cattle. It has become very general in Scotland, and the Scotch are people who are pretty well able to understand what is the best way of doing business.

17,759. Generally speaking, the tenant farmer would profit by that?—I think very much, because under the present custom no doubt the butcher or the salesman has him at an advantage though I do not believe either the butcher or the salesman can put the weight accurately upon a single beast; if they get 10 or 12 in a yard they can come very close. Then whenever they have tried by guess or by hand—by feeling—and the animal has been brought to the test of weighing, in most cases their judgment has been found to be very wide of the mark.

Co-operation. 17,760. Have you had any experience of farmers combining together to sell their own produce and stock in large towns?—Yes. At one time I had that experience myself with Lord Wantage, and one or two others. We formed a small company, a sort of private

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company, with the purpose of working our stock off, and anybody else's who cared to consign to us.

17,761. Did it answer?—No, it did not answer; we came out with a loss, for we found, among other matters, you could not get on without the bribing of servants.

17,762. From the retail shop, do you mean?—It was necessary to bribe managers, and for an eating-house or private house you must pay a bribe. I have been told by a gentleman who has been examined before this Commission that a butcher, not very far away from where we are now, told him that he paid no less than 2,000*l.* a year to servants for "palm money."

The marking of foreign meat.

17,763. As regards the sale of foreign meat, would you put any restriction on that in the way of people taking out licenses and stating that they sell foreign meat?—I should be entirely against anything of the sort. If a person cannot tell foreign meat, if it is as good for him as English meat, I would not interfere in any way. First of all, I think it is impracticable in its working to brand a chop like Jewish flesh.

17,764. I did not ask that. I only wish to know whether you think that they should state that they are selling foreign meat or take out a license for it?—No, I do not. I would leave that alone. It would encourage a great deal of lying and deception—more than the thing is worth.

State loans.

17,765. Have you anything to say to State loans being granted for the purpose of agriculture?—Yes. I should be very sorry to see that encouraged.

17,766. In any way?—I should myself in England. "Come lightly and go lightly." I think that the landlords have suffered enormously from the facilities of borrowing money through these loan companies—termed Improvement Companies. Though they are nothing more nor less than money lending companies with powers acquired by their special Act of granting a first charge upon land. Immediately in their train came a number of surveyors and so-called engineers who were the advisers of the unfortunate landlord, and, among other mischief, caused him to bury tiles at a great depth in dense clay.

17,767. You think that it ought to be left to the owner or occupier to find his own capital?—I think so.

Wheat-growing in America.

17,768. We all know that you went to America for the Duke of Richmond's Commission; have you anything to say upon that subject?—No, except this. I think Mr. Read and myself in our Report have been misinterpreted. The common statement is that we said wheat would not be brought over here under so much a quarter—42*s.* I think it was. What we really said, and gave the figures for, was that it could not be grown and delivered here at a profit under that sum. I think experience shows that we were wrong in the amount; I think that we should have stated something less; but I am perfectly clear of this, that the American is losing quite as heavily as the English farmer, and perhaps a little more heavily. He is growing wheat at a loss, and it has been often said to me, "Oh, "but that is a really ridiculous statement, do you "think that an American would grow wheat at a "loss?" I know that the English go on doing it at a loss and, therefore, you may reason that the American will do it upon hope and also upon borrowed money—from English capitalists.

Poultry farming.

17,769. (*Mr. Whitehead.*) You say that the prices of the best qualities of poultry, for instance, ducks, have not gone down in the same proportion as others?—I think so.

17,770. Does that mean that the producer gets the same amount as he used?—Not the same amount, but there has been a less abatement, a less drop in the prices which he does get, as compared with present prices for inferior food.

Co-operation.

17,771. And you say that you have tried by promoting a co-operative society to bring the consumer and the producer together?—We tried that.

17,772. That has failed?—That did not answer.

17,773. Does that apply to large co-operative societies that have been started on the same idea?—Distributive co-operation has paid very well, and even with farm produce—take, for instance, the Army and Navy Stores—there, I believe, they get money out of their sales of farm produce, but this was for the distribution of produce from the place where it was produced among the purchasers.

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17,774. (*Mr. Giffen.*) You attribute, I understand, the chief cause of the low prices and the depression in agriculture to foreign competition, which has become more effective of late years?—At the present moment.

Foreign competition.

17,775. Have you formed any opinion as to whether that competition has reached its most severe extremity or not?—No. I do hope that in America, both the land and the people who cultivate it would get tired of sending this quantity over, but then there are new fields, there are the Argentine States and New Zealand and Australia. The United States has really, I believe, a less area of ground cultivated for wheat than it had.

17,776. But you have not entered into a general discussion yourself as to whether the prices of agriculture generally, are likely to improve now, competition having done its worst?—I do not believe that the opinion of any man alive is worth having. It is impossible to form any reasonable conjecture, and I am quite prepared to see things get worse and lower.

17,777. Apart from conjecture would it not be possible to have some estimates, for instance, whether there is any additional area in New Zealand likely to be used for sending carcases of mutton to this country?—Yes, it might be of interest from an academic point of view. I do not think it would at all influence the sheepowners here as to whether they would breed more or less sheep, I do not think it would be of any service.

17,778. Not that particular fact alone, but facts of a similar kind. Has no one been making a study of the subject with a view to estimating as to what prices are likely to come to in the future?—Practically I think it would be of no service. You cannot produce either meat or grain on a farm as you can produce a pin in the course of an hour. The production of farm produce takes a year or two. If you want a sheep you have to get the land in order and the ewe impregnated, and the farmers would be extremely unwise to alter their hand on the mere statement that there is likely to be new or fewer fields opened abroad for the sending of produce to England.

17,779. Still it must be a question of price for the people abroad themselves to enter into the competition?—I think so.

17,780. (*Mr. Clay.*) Are you of opinion that the increase will go on in the dead mutton trade from those countries that Mr. Giffen was referring to?—I do not think that my opinion would be worth giving upon the subject; judging from what has happened in Europe one would imagine there must be a cessation. I think England has proved herself capable of eating out all Europe in her meat and her grain too. I recollect when the German cattle came over and everybody was terrified at the sight of them. The animals were I do not know how old, seven or eight years, and soon, in two or three years we bought them out. Although we have very good appetites, it will be a very long time before we shall eat out the west of America.

17,781. (*Mr. Giffen.*) I suppose the consumption of meat on the Continent of late years has rather increased than diminished, has it not?—I should think so. I have travelled very little upon the Continent, but from what I read I should say the people are living better, and, of course, in America the consumption is very great; but I have been several times in America, and I have seen the American artizan who has been unable to put a bit of meat on his table in Cleveland, at a time when we thought they were all living in the utmost state of prosperity.

Trade and agriculture.

17,782. (*Mr. Clay.*) To return to the remedies for this depression, I suppose you would say that an increased prosperity in our trade would largely benefit all classes?—Prosperity in the English trade would generally, do you mean?

17,783. Yes?—Undoubtedly; the more money the artizan has he is very ready to spend it in good meat.

Reduction of rent.

17,784. As far as the tenant farmer is concerned, a still further reduction of rent would improve his financial position, would it not?—I think it would. If I was a tenant farmer I would go very strongly in for that, and I think I should be justified in doing it.

17,785. As far as he is concerned that is the just advantage that he can receive?—Not only is it his just advantage, but it is his last resource. It is very much the practice in some districts for the farmer to farm the landlord and not the land. When a man feels that he ought to get 50*l.* to run his business, there are two

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ways of getting his 50*l.*; he may, perhaps, think that with increased energy applied to his work it might bring him in 50*l.*, or he may go round to his unhappy landlord and get 50*l.* reduction in the rent. There are two methods of getting his books right.

17,786. Referring to that remark of yours, you consider that if a farmer has not a profit on his farm he naturally draws in his expenses on the farm service?—Yes, he would not spend so much upon the land.

The Agricultural Holdings Act. Valuations.

17,787. Regarding the Agricultural Holdings Act, you say that you have a great distrust in the valuations that have been made?—I have a very great distrust of them in England.

17,788. But what remedy would you suggest?—To keep away from them as much as you can—have as little to do with them as you can.

17,789. But if you are forced into the position, what then?—There are a few men, one or two in England that perhaps I may go to with some hope that the thing would be done in a business like way, but on the whole the system of valuing in England is most unsatisfactory. In the first Agricultural Holdings Act I got a most important clause put in, that no award should be a valid award which did not set out in the award the detail of every item that was valued. Now that is not observed. I know of one large valuation made in Northamptonshire in which it was supposed that the landlord was very much wronged, and I asked his agent how the valuation had been made, and he said that it had been made on a lump sum, and I said, "How can you complain—look at the Act."

17,790. It has been suggested here several times that in each county there should be, according to the size of the county two or three, or four, or five official referees appointed, and they would become naturally experts in the business, and all the valuers in different districts of the county would be referred to them, what do you say to that?—There is no referee better than a court of law with a barrister to examine and cross-examine, if you want to thresh out a disputed case.

17,791. You will admit that the general failure of the Act has been through its cumbrous procedure and its excessive expense. Now the method that you advocate of going to law would stop both landlord and tenant from having their case settled for fear of the extreme expense?—I do not know that in the end it would be more expensive. If you pay 100*l.* under the system of valuation for a thing worth 20*l.*, perhaps you had better let the lawyers have some of the money.

17,792. Could not you have official experts in that special business?—Yes, I fall back again on the statement I made in my examination in chief that after all the proof of improvements must be visible, and then I do not think you want such very expensive referees.

17,793. You talk about improvements being visible?—Yes.

Payment of compensation.

17,794. The allowance for compensation is not extended over one or two years from the end of the lease?—With regard to the artificials, do you mean?

17,795. The artificials, the cake feeding?—A few years more it runs back for lime.

17,796. Take artificials, and cake feeding, and manures, the last two years and some of the last year, where do you see anything visible in the last years of the use of cake?—I should want to know the visible improvement, and what I referred to was not the appearance of the crops being made to grow by any artificial means, but I should look at the books of the farm, and see that the produce of the farm had been increased, and that it had been increased by this course of improvement; that the land would produce more grain, more heavy produce.

17,797. But if it can be shown that the improving tenant going out had been keeping more stock, and producing a greater weight of turnips or grain, and selling off more wool, I should say that man had effected improvements upon the land, and such improvements as he might be fairly compensated for. That statement of yours would be correct if the valuators under the Act could be allowed to go back and give compensation for increased fertility?—If the increased fertility resulted in a better balance sheet; if the increased fertility to improvements was wholly proved and represented by the man being able to show that off that land he had been selling more saleable agricultural produce, I should say that was a proof of fertility; and that matter should be ascertained not by looking at the land, or smelling it, or by looking at any papers that he could produce about having bought artificials.

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17,798. But the Agricultural Holdings Act never faced that increased fertility in laying down old grass and keeping more stock?—There you have touched upon a point where you could not prove fertility, but where the tenant ought to be compensated, because we know that there would not be, for the first year or two, any increased produce or profit from the laying down to grass, but at the same time it would be a material improvement to the holding.

17,799. That is what I wanted to be at?—Undoubtedly, then I do not think that he wants a very skilled valuator or official referee. If the land is clean, and there has been a good planting of seed, and it is fairly good grass that is all you want to know. If he has put lime into it he would receive compensation for lime under the Agricultural Holdings Act, running back seven years, I think.

17,800. Do you think that the seven years would exhaust the lime?—There was an old saying when I was young that lime would buy the horse, while chalk would only buy the saddle; that permanent improvement was effected by chalk, and not by lime, that the endurance of the improvement was much longer in the case of the chalk than in the case of lime, which was a very common saying when I was young, in the districts north of London, where both chalk and lime is used; I am quite aware that the lime has a longer effect than superphosphates or manures of that sort. I have used lime in Northamptonshire, and I think seven years was a very fair allowance myself. Now, of course, it is not so much used in England on account of the cost of carrying it the cost of bringing it away from the lime-kiln. I used to have to send six miles for it. You produce an effect by these more powerful superphosphates which do not cost so much in carriage.

17,801. Going back to the question of the fertility of the soil under the Agricultural Holdings Act have you heard of that case of Corshope? The tenant had used an enormous quantity of cake on the land, which was moor-land, and he had more than doubled the quantity of stock on the farm, and on leaving he got a mere pittance of compensation for going out?—I am not aware of that case. I am aware of what lime has done in Scotland, and I am also aware of how some of the landlords in Scotland and the north of England have really suffered by improving their land with lime; that is to say, that the cost was greater than the return from the land. For instance, very good grouse-land, which before being touched would probably make half-a-crown an acre for grouse, but having had a large sum of money spent upon it in cultivation, liming, and seeding, has been found not to answer, and it is running back again to its wild state.

17,802. But when land has been proved to carry double the quantity of stock, and that the fertility of the soil has been increased by cakes and boning, why should not the farmer have to pay for that increased fertility?—Undoubtedly, in that case you have the visible improvement that I have been talking of in the greater number of stock maintained upon the land, and that is just the reason for claiming compensation for improvement. But if the improvement was not accompanied by any proof of the producing powers of the hereditament being increased, then I say that the improvement is nil and visionary.

17,803. If they cannot carry more stock, of course there would be no compensation?—I do not think there ought to be.

17,804. But if I can carry more stock, I need not refer to books?—That is a fair ground for a claim for compensation when a tenant is going out—a very fair ground. I am supposing of course that a man has not brought on to the farm a quantity of stock; that he has not been playing the trick of keeping a quantity with artificial keep for just one year in order to get more out of the landlord—I am supposing that the produce has been fairly increased by the man's farming operations.

17,805. I am putting the question to you knowing that he has during half the lease, nearly the whole of the lease, increased the fertility by that mode; then you would allow him compensation?—Yes, I should; I should be glad to have such a tenant.

17,806. He improved the farm about 300*l.* a year, and got at the rate of 10*l.* for it?—Just so.

Dairying.

17,807. (*Mr. Gilmour.*) You do not think that there is much encouragement for an increase in dairy farming?—I did not say that.

17,808. You spoke about the fall in the price of milk?—Yes.

17,809. To what do you attribute that?—It is attributable to so many farmers having gone into the business. They get ready money every fortnight, and it is always bringing something in to the farmer.

17,810. And even at that reduction, have those men who have gone into the trade bettered their condition by doing so?—Yes, I think many men have been kept going by having a good opportunity of selling their milk.

17,811. And are they keeping up the quality of the land by turning it into this dairy work?—Yes, I do not see that the land suffers. It is said that land suffers from extreme milking and that it requires a supply of bone. That may or may not be the case; in fact I know that it is the case with regard to cheese making; the land could not go on making cheese unless you boned it.

The making of land.

17,812. (*Mr. Little.*) You wrote an article a few years ago, in the Royal Agricultural Society's Journal, on "The Making of the Land in England," in 1887?—Yes, about that time.

17,813. And shortly, I may put it, you came to the conclusion that on a great deal of land the present value was almost entirely produced by the capital expended?—Entirely; I should say, take England all over, generally speaking the land itself is worth nothing. If you were to sell the greater part of the land in England it would not bring back to the owners of the land the money that has been spent upon it in making the land; that is to say, in a measure, not in cultivating, but in merely making it from the wild state, and ready with enclosure for farming.

17,814. If that was true in 1887 it is still more true now?—It would be.

17,815. You give one instance where if the money had been invested and the land let at 1*s.* per acre the landlord would get as much as he gets now?—I took certain instances; Mr. Heathcote's (an old friend of mine in Huntingdonshire), and Lord Leicester's, and Lord Bathurst's, and one other property, the owner of which did not wish to have his name mentioned. With regard to the statement I made as to Mr. Heathcote's, Lord Leicester's, and Lord Bathurst's, they were all reviewed by the owners of the property, and the matter was put into print, and it was accepted by them as a fair statement of what had been done. With regard to Mr. Heathcote's property the capital expended on his property in his lifetime, and the lifetime of his father, was 218,000*l.*, and it was not a large property, and the rental is less now than it was before the improvements began. In Lord Leicester's case I left out one particular farm which had been rather an experimental one, and I found the expenditure was over one million, and the net income of the estate fell from 30,000*l.* a year to 27,000*l.* a year.

17,816. And it is now still lower probably?—It is still lower probably. I think it was shown in Lord Leicester's case that if he had never spent a penny he would have been richer, and if he had invested what he and his father had spent upon that property at the rate of 3½ per cent. he would have had an income of 36,000*l.* a year, and the land besides, whatever it might be worth, in its unimproved condition.

The fen country.

17,817. The statement is emphatically true of the fen country, which you know?—Certainly in the fen country we have the enormous advantage of that splendid land when we got the water out.

17,818. But the annual cost, besides the original outlay, is very considerable, is it not?—Yes, in my own case I think we pay 4*s.* 6*d.* an acre for pumping always, a great deal of money has to be spent in their keeping the land in a cultivateable condition. The drainage tax, I see, upon 418 acres in Wilburton parish is 4*s.* an acre merely for throwing out the water, dykes, and pumping.

17,819. But in some districts it is 14*s.* or 15*s.* an acre?—Yes. In another fen where I have got property it is more than 4*s.*, but that is including the roads. That was enclosed under a private Act of Parliament, and we throw the whole of the rates upon the owner; the tenants pay no rates. When the Act was obtained we thought that it would be better to leave roads to the owners, and the result was that we got splendid roads made, and maintain them as such.

17,820. Although the rents of the fen country have kept up pretty well the land has suffered, because those rates are taxes, are deductions from the gross rent?—The rent in the fen land was kept up very well until two years ago, and since then the drop has been fearfully measured by what I get off the land myself, which is the rent. I did fairly well up to two years ago; then the books were made up to Michaelmas, now they are made up to Christmas, and there was a most fearful fall in rent, owing to the very bad harvest of 1892 and the very low price of cattle as well as of grain in 1893.

17,821. (*Chairman.*) You did well before that?—Yes, I had no cause to complain whatever.

Rates and administration of the poor law.

17,822. (*Mr. Little.*) Then you charged yourself the whole rent?—I did, and I am obliged to knock it down, but I hope for improvement.

17,823. With regard to local rates and administration, I should like to ask you a question. You live near Brixworth, and the effect of your administration has been to reduce pauperism?—Yes, I could give the figures.

17,824. That is the effect of your own evidence?—Yes, it is quite marvellous. At the present moment I think we have 18 outdoor paupers and I think about 70 indoor. It is nothing, it is a mere nothing. I have got the numbers.

17,825. (*Chairman.*) Have you got the numbers as compared with what they were?—I will give you them exactly. Now, going back to 1873, we will take one day in the year instead of the total number of paupers for the year, because it is as good a measure as you can have; they are all taken from official returns. There were in 1873, on the 1st of January, 572 persons receiving ordinary relief and 26 persons receiving medical relief only. That made 598 persons having outdoor relief. In the house there were 60 persons, and the total number of the indoor and outdoor paupers was 658. That shows that one person in 21 of the population was a pauper, including peers, parsons, squires, fox hunters, the medical profession, lawyers, and everybody. On the 1st of July 1893 there were 20 persons in the receipt of ordinary outdoor relief; there was not one person receiving medical relief only; and the indoor paupers had risen to 72. The total number of paupers in the union, in and out, excluding the lunatics, was 92, and the proportion of paupers to the population was one person in 132, instead of one person in 21.

17,826. (*Mr. Little.*) And that has been accomplished by a strict administration of the Poor Law?—By a most unwearying attention to that subject on the part of a few individuals.

17,827. Has that been accompanied by any hardship to the poor?—It has not been shown. I do not think that it can be shown in the case at all. One proof of the prosperity of the people is—I know the same proof is to be felt elsewhere—there is no woman to be seen working in the fields, and this shows that the head of the family is maintaining himself and his children.

17,828. That point as to whether the system of relief has resulted in hardship has been investigated from time to time by a clergyman, the Rev. W. Bury, in your district, has it not?—We have never been left alone by gentlemen outside who have nothing to do with us; there have been commissioners, inspectors without end from the Local Government Board to inquire into the condition of the union, as to whether injustice has been done, and what the state of the health of the people is.

17,829. Has it led to depopulation of the district?—There has been a drop, but it has not been very marked, I think. It has not been more marked than elsewhere in the rural districts in England. I think it has dropped from 13,000 something to 12,000 odd. The population now is 12,186, and I think that under the old census it was 13,000 and something.

17,830. You think that considerable relief from the rates might be obtained by a better administration of the Poor Law?—I am quite sure of it; the most material source of relief in the rural districts would be better administration under the law as we have it.

Assessment to rates.

17,831. At the same time you would think that land should not be rated for many of the purposes which it has to maintain at present?—It should not.

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17,832. Would you approve of the extension of the system adopted in urban districts under which land is rated one-fourth, or above one-fourth of the rate for certain purposes?—I was not aware of that, and I was a guardian for 18 years in London.

17,833. In urban districts for certain purposes?—I am quite aware of that.

17,834. Would you be in favour of an extension of that system for certain purposes?—I certainly should. I got that differential assessment into the Public Health Act, 1875, and some other Acts, myself, when I was in the House.

Rental of Guy's Hospital estates.

17,835. Do you think it would be fair to charge the expense which will be incurred by the Parish Councils on that principle?—I should not like to give an answer without considering it further. Would the Commission allow me? I have here a statement of rental, as well as the old rental, of the estates of Guy's Hospital, and it is very remarkable, the drop in the value of the land. In 1875 the gross value of the country estates was 41,840*l.*, and the net value was returned at near 31,000*l.* In 1891 that had dropped to 27,550*l.* gross, and only 17,220*l.* net.

Payment of compensation.

17,836. With regard to compensation for improvements, you are in favour, as far as possible, of confining that compensation to visible and tangible results?—Yes, I am in favour of all valuations, when the umpire or the valuers between them are coming to a conclusion, being tested by fact; it would be this: Is this land better for all these improvements? And the proof of the betterment by a tenant's improvements is to be, has it been giving for the last years of the tenancy of the man going out a better return and profit?

17,837. You will remember Sir John Lawes's argument that if a man grew half a ton per acre more straw than he grew when he went in to the farm he must have improved it?—I should look upon that as a ground for compensation, but not if he put in 50 tons of artificial manure merely.

17,838. Would that not be an argument for paying a market price for the increased produce if the incoming tenant or landlord buys the produce?—Do you mean that the landlord should have to buy the increased produce at an amount put upon it by the valuer?

17,839. When a farmer quits, if he has improved the land so that he grows half a ton of straw more per acre than it did upon an average of years before, you say that he is entitled to compensation?—Not for the straw.

17,840. For the increased fertility as evidenced by the straw?—The straw among other things.

17,841. The straw is an evidence, I am taking it as one item?—I might take the grain at a higher figure.

17,842. Take anything you please, on what principle then would you compensate, would you buy that of the man; would you buy the increased produce?—No, I should not buy it of him; but at the present moment when a man comes out of the farm, the valuer says, This man has put so much superphosphates, and lime, and so much cake, and therefore he is entitled to a certain proportion of the expenditure upon this farm, and that is to be paid as compensation, I should say to this man in the same way, the improvement of the fertility of the land would be measured by the actual produce.

17,843. If it is to be measured by the produce it must be in proportion to the produce?—Certainly.

17,844. And therefore it is, in effect, by buying the produce?—By the improved rent.

17,845. Of course, you are aware that that produce would vary in consequence of the seasons, and that a season like last year would be disastrous?—If it was valued upon the straw.

17,846. If it was valued upon anything?—Not upon grain.

17,847. Yes, upon grain on many farms?—Not in the fens.

17,848. Not oats?—I had a very fair yield of oats, and a splendid one of wheat—the whole yield of wheat averaged 5½ quarters.

17,849. Is not the main argument in favour of paying for recent consumption of cake and using manure the inducement to the farmer to continue good cultivation to the end of his tenancy?—I think that it is.

17,850. Is not that a reason for paying for the last year's consumption, at any rate?—Yes, I think it is.

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17,851 For money judiciously expended in the ordinary course of farming, it is a perfectly legitimate subject for compensation?—I would rather, instead of saying "judiciously expended," substitute the word "profitably" expended, I would pay him for the expenditure that he has made on those articles, but not unless proof of the value of this expenditure could be given.

Uncultivated land.

17,852. (*Mr. Chaplin.*) You told us about land that had become derelict, and about some that had tumbled down to grass and made a very small rent; is that land that you referred to within the counties you mentioned as those with which you are particularly connected?—Yes, some of it is in Northamptonshire. It has not become derelict, but has, just as I expressed it, tumbled down to grass. It is being left to grow its natural grass.

17,853. The land that has become derelict, where is it?—That is in Essex, and some is in the North, I cannot tell you exactly where, but it is between Retford and Doncaster. It comes down to the right side of the Great Northern Railway.

17,854. You are not aware, then, of any land in that condition in Cambridgeshire and Leicestershire?—I am not sure that there is not some in Cambridgeshire. I think there are considerable tracts on the North-western branch from Bletchley to Cambridge which have some grass on the land, and a lot of little bushes. I do not know whether it is rented, but undoubtedly it has been derelict.

17,855. Do you say there is a considerable breadth of it?—There is as much, I should think, as a hundred acres of it altogether.

17,856. I observed that, in reply to the inquiries we sent to some of the Inspectors of the Board of Agriculture, Cambridge is reported to have a good deal of land out of cultivation. Would your evidence bear that out?—I think as between Cambridge and Bedford it might, but I have not been driving through that county or stopping there. I only see it from the line of railway.

High farming.

17,857. You tell us that agriculturists who were business men had satisfied themselves that high farming is no remedy for low prices?—I think so.

17,858. I suppose that is because the product of high farming at present prices does not pay for the cost of producing it?—That is so. There is a certain point up to which you might spend capital in high farming with prudence, but when you go beyond that the produce of that high farming costs you more than it ought to do, and more than could be remunerative.

Quality of cultivation.

17,859. You say you do not think the cultivation of the present reduced amount of arable land has deteriorated either by want of working by certain crops or by insufficient manuring, but some part of that land, as I understand, has deteriorated?—That is the land which has been derelict, or is derelict, but taking England through I think I never saw evidences of better cultivation than are to be seen in England now, north of the Thames. I have not been down south.

17,860. You are speaking of the present season?—Yes, the present appearance of the face of the land, and last year and the year before I think the cultivation was very good.

17,861. Surely the season is much more favourable at present that it was last year?—Much more, but the cultivation was good last year. The men did the best they could, and I think the best that could be done under the circumstances, considering what a trying season it was upon the clays.

17,862. What I understand you to mean is this, that where the land is still cultivated, where it pays to try and produce, there it is still well done?—I think so, and better done now than it was five years ago. Men seemed to have settled into the saddle more steadily; although it is an uncomfortable saddle they are sitting the horse better.

17,863. You told us that the chief effect of the depression after all was to be seen in lower rent, and that the first thing a farmer naturally looked to was for further reductions of rent?—Yes.

17,864. It is the case, I think, is it not, that rents have been very largely reduced already?—Enormously.

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17,865. I understand you hold it as your opinion in a great number of cases that rent at the present moment represents really nothing else but interest upon the outlay which has actually been paid by the owners of the land?—I am quite sure of that. The idea of land cultivated being national property is a most erroneous idea. Land as we have it now is just as much a manufactured article as the cloth in the coat that I am wearing.

Interest on landlord's outlay.

17,866. How far would you push that opinion? Would you say that the present rent represents or does not represent the ordinary interest that you might expect from invested capital?—On the whole it represents the poorest possible interest. In that little article that I wrote, upon which I have been asked some questions to-day, I show conclusively that one per cent. has not been made upon the expenditure, and the very able expenditure, by men whose names are notorious as improvers of land in England, who are not visionary men, but very capable men. Take Lord Leicester and Lord Bathurst, for example, and Lord Leicester's father was another example.

17,867. You say that you are quite sure in many cases it does not return now more than one per cent. interest. You do not mean to make that statement as affecting land generally throughout the country, but you make it, I apprehend, with regard to estates owned by people of the class of whom you have been speaking?—Typical estates, estates which were considered to have been examples for other landowners to follow and which have been repeatedly quoted as examples of what other landowners should do. Upon the whole, if you take the cultivated land of England, especially the arable portion, I question whether the owners are getting one per cent. for the improvements they have done or the expenditure they have made in order to bring the land to an ordinary productive state.

17,868. Would you go so far then as to say this, that taking the average agricultural land throughout the country at the present time the rent which is paid for it does not do more than represent an interest of one per cent. upon the outlay which has been made upon the land by owners generally?—I have not gone over so wide a field in England as your question contemplates, but, generally speaking, I think if you did go into the inquiry you would find that one per cent. would not be earned by the capital of this country in making the land lettable. I put it in that way—making it lettable—and I exclude from that capital all the capital which has been expended by tenants in cultivating the farms.

17,869. Yet although the rent represents so small a return upon the outlay which has been made upon the land at present by its owner, you are of opinion that in all probability things will get still worse in the future?—I am inclined to think myself that we may see worse times before we see better; so much so, that if I had a thousand pounds to spare—and we have not many thousands to spare now-a-days—I should be more inclined to put it into the North-Western or the Great Western Railway than into even acknowledged improvements of one's property. That is my own feeling which I have acted upon.

Fall in prices.

17,870. I think the general drift of your evidence comes to this, that the real cause of agricultural depression at present is the fall of prices?—Yes, there is no doubt of that.

17,871. There can be no effectual or permanent remedy without some improvements in prices?—I think there are other remedies besides the improvement in prices, but immediate relief would be given by improvement in prices.

The currency.

17,872. You stated that in your opinion the fall in prices was due entirely to foreign competition or due mainly to foreign competition. Have you ever considered the question of what effect certain alterations in the currency laws of late years in other countries may have had upon the price of produce. Have you ever studied that question?—I have considered it. I was a very great friend of my old master, the late Professor Bonamy Price, and that was a sort of subject in which I deferred very much to his judgment. My friend told me I had better leave it alone. I know what your views are, and I am almost afraid to make use of the word, but he turned the idea into ridicule. I hope you will not think that I say this in any scoffing way.

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17,873. Professor Bonamy Price has been dead a good many years now, if I remember right?—He has been dead about four or five years, I think.

17,874. And he expressed that opinion to you, I apprehend, under circumstances very different from those of the present day?—But the question had been very much discussed then; the rupee had dropped considerably before Bonamy Price died, I think. Another friend of mine has written on the subject very largely, and indeed troubled me very much upon it. Mr. Moreton Frewen used to send volumes, well, sheets, to me upon it, and I handed all those papers over to Mr. Price.

17,875. Professor Bonamy Price, I recollect quite well, was a member of the Duke of Richmond's Commission?—He was.

17,876. But I do not think the question of bimetallism ever came before the public at all at that time, and certainly it was not ever mentioned or dealt with before that Commission?—I can assure the Commission that there was a great deal of matter put in print upon that subject before Mr. Price died, and put in print by a friend of mine, and I used to take his papers over to Mr. Price. Mr. Price used to express his views to me in this way. He said, "The truth is those "who have borrowed in gold want to pay in silver, "and I think we had better not let them."

17,877. As far as you yourself are concerned you rely for your opinions on the subject, I understand, on what Professor Bonamy Price told you?—Yes, and also on my natural love of a sovereign in preference to any other coin whatever.

17,878. Then you are not of opinion, as far as you have studied the subject, that the appreciation of gold has anything to do with the cause of the fall of prices?—I cannot see it. Now you are getting me perhaps out of my depth.

17,879. I do not want to ask any questions that you do not wish to answer?—If I have got a quarter of wheat to sell, and a man in India has got a packet of cotton to sell, we make a swop, though after all the difference we may pay in bills upon Amsterdan or upon China. Gold seems to be a very useful medium between people who can conduct their business by simple barter, and it is all we want, and I think the question becomes embarrassed if you introduce a quantity of other material, let it be silver, or let it be copper, or let it be diamonds, whatever it may be, as tokens of value. But then this question is far beyond me.

17,880. I understand that you have not studied the question sufficiently to wish to give evidence upon the subject?—No, I do not wish to give any evidence upon it, because it would not be worth anything.

Tenure.

17,881. With regard to the question of tenure, I think you say that you farm your own land to a very considerable extent?—Yes, and I am sorry to say that I rent some too, out of kindness to my landlord.

17,882. Under those circumstances where you farm your own land you enjoy the utmost possible security for all the outlay you have made as far as compensation for improvements would go?—Yes, I do, undoubtedly.

17,883. And yet in spite of that, I am afraid from what you tell us your recent experience has not been very satisfactory?—No, it has been terrible the last two years.

17,884. For some reason, I understand you that you say a further increase of capital embarked in the cultivation of land would be no remedy for agricultural depression?—I do not think it would. I do not think it is a wise thing to put borrowed money in a bad business.

Changes in system of cultivation.

17,885. Can you suggest to us any changes in cultivation—any alteration in your methods of farming which might enable you to improve the position, or which might prove to be a remedy for the depression?—No, I cannot. There are improvements, no doubt, in the clouds that could be made, but I think, on the whole, the English cultivator is a very skilful man, and I do not know what I could tell my fellow farmers that they ought to do which they are not doing. I think, perhaps, one of the difficulties, and perhaps one of the causes of expense with the English farmer, has been the desire he has had to have all his implements made in the very strongest and most expensive way. That has been a really very serious thing with him. The American has his machine made very much lighter and very much

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cheaper, and he chucks it outside if it does not answer, and takes up with a newer invention. But you are very slow to do that in England, and many farmers are running machinery which is ineffective and costly to run by the side of machines that are going at a much less cost because they are disinclined to waste the capital that they spent in the purchase of the thing. The improvement in agricultural machinery has been so very rapid, especially in some classes of machinery, that it has been a source of loss to the farmer who has gone in for modern machinery.

Tenure.

17,886. As a practical farmer of many years' experience, and holding your farm, being an owner cultivating your own land on the most perfect security of tenure, you do not see that any alteration in the laws relating to the tenure of land could be a remedy for agricultural depression?—I do not.

17,887. You have no belief in what you call the remedies advocated by theorists upon this subject?—No, not at all. What is proposed in 1890 as a panacea or a specific will probably in 1893 never be heard of. That has been absolutely the case.

Cattle diseases.

17,888. With regard to the contagious diseases of animals, I understood you to say that you were under some apprehension with regard to anthrax, which was spreading in your county?—Yes, very great.

17,889. Have you any suggestion to make to the Commission for dealing with anthrax?—I am not sure now, but I do not think the slaughter of anthrax animals is compensated for—you would know, but I think it is not.

17,890. That is so?—I think it should be as rapidly as possible, because the character of the disease is rather singular. There is no doubt that it is an extraordinarily infectious disorder, and even when the animal is dead it is as dangerous as when it is alive from any little excreta that drop from it. Therefore it is very desirable to kill off the whole heard at once.

17,891. Is it your opinion that it should be dealt with in the same way as pleuro-pneumonia, and foot-and-mouth disease, and rinderpest are now dealt dealt with—by the central authority, namely the Board of Agriculture?—Certainly.

Technical instruction.

17,892. With regard to the question of agricultural education, have you any suggestions to submit to the Commission?—I should like to say in answer to that, that I have taken a great interest in a movement which has been made in the University of Cambridge, and which you really initiated when you were President of the Board of Agriculture. In 1891 you addressed a letter to the Chancellor of the University of Cambridge upon the subject, and a syndicate was formed then of members of the Senate, consisting chiefly of members resident in the University, to which four were added who were not resident, but were members of the Senate. Those four were the present Duke of Devonshire, Lord Walsingham, Mr. Dent, and myself. The result has been, to make a short story of a long one, that in the University of Cambridge instruction is now given upon the most moderate terms in subjects bearing upon agriculture, and pupils are received at the University of Cambridge who are not members of the University *in statu pupilari*, and not even non-collegiate members. We have given them the name of county students. They have the opportunity of attending the lectures of certain professors—the Professor of Chemistry and others. The education that they receive on scientific subjects is very complete, as good as it possibly can be, and on very moderate terms. What we thought was that some of the young men who were the sons of great landlords who were up at the University, would avail themselves of this opportunity of acquiring this knowledge, which extends not only to such subjects as chemistry and physiology, but to book-keeping and to several other subjects which would be useful to the owners of estates. But we have been disappointed. I do not think there is the son of a single landowner, whose name would be known in this room, who is taking advantage of these opportunities; but there have been sons of farmers. There is a successful farmer, an illiterate man himself, but who married a woman of ability, who has sent a son up who is likely to be, I think, a distinguished man; so that we may do some good. This scheme is supported by contributions from different counties out of the technical instruction funds—Cambridgeshire, Essex, Northamptonshire, Leicestershire, Norfolk, and two divisions of Suffolk contribute to the payment of the professors, and they have also founded some scholarships, but the thing has only just begun in the last two years, and we cannot say what it will end in. There is the opportunity given to a man of getting scientific instruction in these subjects. I am Chairman of the Executive Committee which has to carry the scheme out, and I and those who work with me have most determinedly kept away from giving any instruction in farming; we will not have anything to do with a model farm, or attempting to teach farming. We say that the terms of the University cover 24 weeks. These 24 weeks a young man, if he likes, can devote to this scientific instruction, and there are 28 weeks left for him to go to market with his father and learn, what is equally important, all the methods and practice of farming. We have an opportunity of examining all the experiments on the experimental farm at Woburn; therefore we have no need whatever to start a model farm, because Woburn is very accessible. We have also access to the experiments which are being conducted in Suffolk. No better opportunity anywhere in the world, I think, can be given to young men to acquire a knowledge which is essential, as I think, for landowners in the management of their estates than now can be given at Cambridge.

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17,893. (*Chairman.*) At the University?—At the University. Perhaps the Commission would allow me to put in this paper. This is the sort of statement which was issued by our secretary:—"A Course of "Scientific Instruction in subjects bearing upon Agri- "culture has been organised at Cambridge. The "instruction is in the following subjects:—Agriculture, "Chemistry—Elementary and Agricultural,—Botany "—Elementary and Agricultural, Physiology," and so on. "Opportunties are offered for the study of agricul- "tural law, and may also be provided for the teaching of "veterinary science. In aid of the above object certain "professors and teachers in the University admit to "their lectures, and to practical instruction in their "laboratories, students not members of the University "under the following conditions: that the students "are not under 17 years of age; that the students "give satisfactory evidence that they have received a "sufficient previous education to enable them to take "advantage of the proposed instruction." Then comes a statement of what money is required from the outside. That we have procured from different counties who have joined, and we have had very considerable assistance by grants from the Board of Agriculture in London. Then comes the course of instruction, which I need not read, what the students are to do in the Michaelmas Term, what in the Lent Term, and what in the Easter Term. Now comes the important part: "It "is estimated that any student for the whole course "will have to pay the first year 19*l.* 19*s.*, and the "second 18*l.* 18*s.* in fees; and that for board and "lodging the cost will be from 6*l.* to 8*l.* a term, so that "the necessary expense will be from 38*l.* to 44*l.* per "annum for the whole course." Since this was written my committee have made arrangements whereby we have an excellent common room, and are getting an excellent scientific library, a great deal of it in languages I do not understand—in German and French—and the thing is in very good working order. We have also permission from practical farmers, large farmers in the neighbourhood, to take the students over their farms.

17,894. With regard to the question of agricultural education, apart from the opportunities which are afforded by the University at Cambridge, have you any other suggestions to make to this Commission? You are aware that at the present time a large sum of money is given to the local authorities for the purposes of technical education in which agricultural education is included?—Yes.

17,895. Is that satisfactory to you?—No, I think not at all. I think that scientific instruction in these subjects is a very difficult question, and can only be handled by first-class men, and the idea of a village schoolmaster teaching elementary chemistry and elementary botany out of public funds is to my mind perfectly ridiculous.

17,896. You would rather entrust that duty to a Government Department, for instance, like the Board of Agriculture?—A very great deal sooner.

Dairying.

17,897. Will you tell the Commission whether, judging from your experience, there is a very considerable opening for education in dairy farming?—Something has been done in that way, and already in some of the counties the Technical Instruction Committees have had to entirely alter their early views. I am a

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member of the Technical Instruction Committee for Northamptonshire. A very poor dairy county is Northamptonshire, but in the west of England I know one county where they began with having lectures given upon the subject. I am not sure that there was not a model dairy started, but they altered their plan in a very little time, and they did this: they sent round to the different farmers people who were thoroughly well acquainted with the manufacture of cheese, and who had a knowledge of the principles and the practice upon which the manufacture was to be conducted. Those people travelled round the country. I have a friend who has a large dairy property in that part of the country, and I learn that these people have gone into the dairy and said, "Now, what difficulties "have you got?" "Sometimes we have had the "cheese become bad, not often, but three or four "times or ten times in the year." I know one instance in which the instructor said, "Is that door always "locked?" "No, it is not." "Is it always kept "shut?" "Always." "Always?" "No, we cannot "say always." "How often? Do you not know "that the opening of that door alters the temperature "of your dairy? Lock it, and you will have your "cheese good." In that instance the cheese has been good ever since.

17,898. (*Mr. Elton.*) What county is that?—That was the county of Gloucester.

17,899. (*Mr. Chaplin.*) I understand it to be the case that in the year 1893 we imported into this country cheese and butter alone to the extent of nearly 18,000,000*l.* worth?—Yes, and eggs 3,000,000*l.* odd, I think.

17,900. That is true, eggs, 3,875,000*l.* Could not the greatest amount of this imported butter and cheese be perfectly well produced in this country if the education was adequate? Is there anything to prevent it?—It is beyond me to say that.

17,901. You have not studied that question sufficiently to pronounce an opinion upon it?—I do not think any education will make a hen lay two eggs a day.

17,902. I am not speaking of that; I am speaking about dairy produce?—I think dairy produce depends so entirely upon the quality of the land. For instance, you might take 5 per cent. of the cream off the milk that I send up to London from Cambridgeshire and it would be better milk than the whole milk that I send up out of Northamptonshire. I do not think any education could make that different.

17,903. You are aware that we import great quantities of butter from Denmark, are you not?—We do.

17,904. Which butter is of a very high quality?—Yes.

17,905. They have great facilities in Denmark for acquiring education in making butter. What I want to ask you is this, is there anything in the nature of the climate or the soil of Denmark different from that of England which should not enable us with equal facilities for education to produce quite as good butter as they do in Denmark?—No, I should think not. We are very bad butter makers in England. I should like to say that Denmark owes all its enormous trade of exporting butter to England to education received in England. The enormous exportation of good butter to England is due to a young fellow who was a student at Harpenden. He did not go there with any intention whatever of learning butter-making, but he mastered the great features of its manufacture, how essential it was to study measure and temperature and chemistry, and went back to Denmark and applied all this knowledge to butter. That Sir John Lawes told me himself, or Dr. Gilbert, I forget which.

17,906. I am asking all these questions because I am anxious to elicit from a gentleman of your great practical experience whether, with greater facilities for education in dairy farming, there would not be a considerable opening for British agriculture in that direction?—Certainly we could improve; we have immense room for improvement, especially in the manufacture of butter.

Rates.

17,907. (*Mr. Dalton.*) I think you mentioned that the ratepayers had derived very great advantage in your union from getting the railway properly assessed?—Yes, we have.

17,908. What was the cost of that?—I cannot tell you the cost, but I could tell the Commission some of the difficulties, which are very great indeed in England. They are not so great in Scotland. Indeed, they do not exist in Scotland with respect to the assessment of railroad property. In Scotland, as I daresay is known, there is a public officer who is the assessor of railways and mineral property, to whom the local valuer can go for instruction. In England we have nothing of the sort. If an assessment committee desires to re-assess railway property in the union it has no access to the books of the company. The law does not permit the assessment committee to have access to the books of the company. It really is a most important and a most serious question. You cannot see the books of the company until you have brought the company into court, except in the case of a county rate. If the county object to the valuation of a railroad, the law of England enables the county authority to insist upon the production of books; then a skilled valuer of Newcastle, or of London, whoever he might be, can form an accurate assessment, but in England it is a perfectly monstrous thing that you have to go into court and incur an enormous amount of expense upon a guess. Of course you get as good an expert as you can, and he makes as good a case as he can, but the whole intricacies of the case and the whole grounds upon which the assessment should be formed cannot be unfolded until you have got into court; and in our case I think they sat three days over it. We had a good man and we held our own, and we got the assessment raised. When I was in Parliament I brought in a bill, I forget who was with me, to assimilate the English method of assessing railroads and mines and canals—we are just as much in the dark about mines—to the Scotch practice, and I was fortunate enough by holding my tongue and taking my hat off, to get that Bill past the second reading before the railway people found it out. Then they did me over the committee, and I never got further.

17,909. Do you think it would be a sufficient remedy if the guardians, as well as the county authority, were enabled to demand to see the books of the company?—It would not do all I should like to see done.

17,910. But that would be a small amendment which could be more readily obtained?—What I think is that there should be in England something like what you have in Scotland, only, perhaps, not for the whole of England; an officer to whom the overseer of the poor, who makes the assessment, might go and say, "Sir, I "have got to assess one mile of railway through this "parish; what value am I to put upon it?" I am not carrying it any further. The overseer should merely go to him for advice. I think that would be of enormous importance, and it would very materially assist the landed interest, not being railroad proprietors, if such a change was made in the law.

17,911. Would you consider that speaking generally, railways are not assessed at their full value on account to some extent of the local authorities not having this information, and also to some extent, because they do not like to incur the expense of litigation?—I am sure of it.

17,912. Do you consider that the same rule applies to waterworks, gasworks, and canals?—Say there is a corporation reservoir of 17 acres in this parish, how can the overseer of the poor go to the corporate town and call upon the town clerk to produce his books; he has no power to do so.

17,913. If you were enabled to have these properties properly assessed, you would get an additional contribution to the rates from personalty?—We should; that is to say, if all the other hereditaments in the parish were assessed at their full value. But in several instances they are not so. I know of one case where an endeavour was made to raise the assessment of a railroad company, and the union was upset at once. The counsel for the company said, "Look at this land. "What is the rent? 2*l.* an acre. What is it "assessed at? 15*s.*" The case was all over at once. I think if I might say so, perhaps it is going a little out of the way, that it is very essential that we should have in the country the surveyor of taxes sitting by the side of the committee for the rate, and that the gross value should be the thing to be taken. I think the net rateable value is the most embarassing thing we have got in assessment.

17,914. You think it would be for the benefit of the landed interest if you had a proper system of valuation in that way?—I do; not only for the landed interest, but for the Exchequer. If we had the assessment

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made as it is in London, it would bring in a quantity of property, including a great deal of urban property which is not sufficiently assessed, though the country people know nothing about it.

17,915. That would to some extent relieve the burden of local taxation?—It would.

17,916. But your great remedy would be economy?—Undoubtedly.

17,917. From the history of your union, I gather that not only in the poor relief, but also in the highway and other expenditure you consider economy is the best means of relief?—Yes. It is marvellous to me the little interest that is taken by the owners of property in questions that so materially affect them. Yesterday I was at a very large board meeting in which the owners have a right to sit as *ex officios*. There was not a single owner present, and it was a very important meeting affecting their interest very materially. I was not a landowner. Where I sat I was only a tenant.

17,918. Do you think the Treasury subventions conduce in any way to extravagance? I am not speaking of your own Union; but supposing you have an extravagant Union, do you think the fact that they have got some thousands a year coming to them from the Government would make them still more extravagant?—I think in some instances it would. I have known in Unions an attempt to get into a County Lunatic Asylum an idiot who was not a proper person to be there, because the Guardians said "You will get "the 4*s*." or whatever it was, "back again." I have known that happen.

17,919. Apart from that, might not the mere fact that they were getting something from the Government, say for the cost of their lunatics, make them more extravagant in other items of their expenditure?—No, on the whole I do not think it would. In London, but then that is not extravagance, there is a common fund which has rather, and very properly encouraged the Guardians to put their paupers into the proper receptacles for them when they are diseased. There has been a check upon out-door relief in London no doubt, and people have been better treated in consequence. But I do not think that led to extravagance; I do not think they have made more paupers in consequence.

17,920. You would be speaking then of a well-administered Union?—Yes.

17,921. But supposing you knew of a Union which in your opinion gave a great deal too much out-door relief already, do you think that the fact that they had some thousands a year coming from the Government —— ? To spare.

17,922. To spare, would induce them and encourage them to give more?—No; they are so very ignorant. I have heard Guardians talk about the enormous expense the Union officers are to them, forgetting that it all comes out of the Treasury, forgetting that entirely. No, I think that very many know nothing about it.

17,923. You select police, lunatics, and the administration of Justice ——?—And the buildings connected with them.

17,924. As the three items towards which assistance should be given, because you think they would be less likely to lead to extravagance?—Yes. As all the Commissioners know, we pay nothing for prisons now, but then I have observed in different counties that instructions have come down which have been followed to improve the cells at the police stations for the detention of prisoners. I do not do much magistrates' work; I look on; but I have always said to the others, "Avoid, "if you can, this sort of outlay; it has all got to come "out of the county rate." It has been considered just that the county should not pay for a prisoner, and I do not see what difference there is between a cell which is constructed to detain a prisoner before the bench has done with him and a prison.

17,925. The great remedy would be economy in local administration?—Yes, that would be a great remedy, but still I think that visible property, and recollect I am not speaking of the county landowner only, because urban property pays quite as heavily, perhaps a little more upon these points, visible property ought not to be specially charged as it is now upon those points that I have mentioned.

17,926. Would you continue to leave the local management of it amongst the local authorities?—No.

17,927. You would have a central management then?—What local management has the county authority upon prisons?

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17,928. I am speaking of police and lunatics?—I would not let the local authority have the administration of Treasury money; no, certainly not.

17,929. (*Mr. Channing.*) As to anthrax, that has been found to come on again and again in certain fields and certain farms in Northamptonshire and elsewhere, has it not?—Yes, it has. Cattle diseases.

17,930. It has recurred?—It has recurred after an interval, in one case near me, of 40 years. I have known two or three cases where anthrax was known to have existed 40 years ago and where it broke out again four or five years ago.

17,931. All that I want to ask you on that is whether, in dealing with such a formidable disease, the fact of its recurrence is not an additional reason for placing it under the control of the Board of Agriculture in the same way as the other great cattle diseases?—Certainly, I think so. You would then have some scientific inquiry into the causes, which the Board of Agriculture could conduct very much better than any local authority could conduct. There must be a key to the secret of stopping this disease.

17,932. It might become necessary, owing to the fact of its recurring, for the Board of Agriculture to give orders as to the treatment of a certain field where cases had been recurrent?—Yes. In the cases near my home they dare not and do not put cattle in some fields. There are fields which are only grazed by horses, and occasionally by sheep, because the people think for a certainty that if they put horned cattle upon them those cattle would be liable to be struck with anthrax.

17,933. Have you any experience of breaking up these fields and liming them, and can you tell us how far that is a remedy?—They have not been broken up.

17,934. Has that experiment not been tried?—No, I cannot call to mind that it has there.

17,935. Still, you think it ought to be placed, like other diseases, under central administration?—Yes.

17,936. You stated in answer to Mr. Chaplin that the present rents amounted to about 1 per cent. on the outlay of the landlords in improvements?—I doubt whether it comes to as much, taking England all over. Interest on landlords' outlay.

17,937. Do you take into account in making that estimate, portions of the landlord's capital which have been exhausted, that is, which have been used for buildings, for drainage, and for other purposes which have lapsed, say, an outlay 50 or 60 years ago? Do you include that in your estimate?—First of all, might I say that I do not like what I have stated to be termed an estimate, because it is only a conjecture, except, upon those particular properties which I referred to in the article that I wrote. There it is an estimate and a precise one, founded upon figures; but with regard to England generally it is only conjecture. Bringing the land from its original condition of scrub land, or prairie land, or whatever it was, to a state which a farmer could go on to has cost much more than the land would make, and the present rent does not pay 1 per cent upon that capital. You must consider what has been done. You are not to consider only the removing of the scrub, and the getting rid of the trees, and the enclosing of the land. That is not all the landowner has done. That was no service at all unless he had made the river navigable and the road passable, and I might even go further, and say unless he had put up some place of worship—all of which came out of the land, and all of which is fairly charged to the debit account of the making of the land in England.

17,938. But in estimating what per-centage on the capital outlay by the landlord the present rent represents, it would not be fair to include the outlay in buildings which had been taken down afterwards, or drainage which had ceased to be of use, or the outlay for other purposes which had ceased to exist, would it?—Am I to understand the question in this way: that I must consider, in reference to certain expenditure (the evidence of which has gone by because the buildings have been removed), what profit the landlord made while those buildings were in existence, and carry it to the credit account. Is that what you mean?

17,939. What I mean is this: that in estimating rent as partly covering interest on outlay you would not say

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that a landlord was entitled to estimate for interest on an outlay carried out 50 years ago, the whole usefulness of which has lapsed?—I would give him credit for anything that he got for the outlay. The outlay has been continuous in the history of England. I have buildings on my own property that were put up in the time of the Tudors. My ancestors did not own the land then, but somebody had to pay for it all. They are of very little value to me now, but I suppose they have been of value to some of the proprietors of the estate before I was born.

17,940. They are still existent?—I wish they were not. I have got to insure them, and they do me very little good.

17,941. (*The Chairman.*) I suppose the way you have made the estimate is this: you have assumed that the land was in its original state on the one hand?—Yes.

17,942. And then looking at it in its present condition you have made a rough estimate of what it would cost to bring it to its present state?—Not even to its present state, but to a state fit for a tenant to go on it. In what I wrote I took the illustration, which is a very recent one, and it is one that could be made use of—Wychwood Forest, which was brought out of what you may call the natural state of England not very many years ago. When it had gone through certain operations which were performed there, I think by the Ecclesiastical Commissioners, it was turned over to a tenant at a rent. I do not want to have anything to do with the tenant or what he did afterwards. I am only considering the cost that was incurred in reducing in this instance—Wychwood Forest—to a state that I or anybody else could go upon it with my horses and plough it and sow it.

17,943. Applying that same process to the whole of England, and taking the present rental of England you have come to the conclusion on a very rough estimate that the rent does not represent more than 1 per cent. upon the total outlay?—I do not think it represents 1 per cent. It is a very interesting question, and I think with the help of such books as Mr. Garnier's "History of the English Landed Interest" something may be made of it; a student may get a real estimate of what the owners of the English soil have lost by their very commendable efforts to make the land cultivable.

17,944. (*Mr. Channing.*) We have all read your article with the greatest interest, and I have studied it very closely in past time. My question is to this effect: that you could not contend on that reasoning that a landlord in estimating—as he fairly is entitled to estimate in assessing his rent—whatever interest he can obtain on his outlay, could not take into consideration expenditure, except expenditure within a reasonable period, in actually fixing his rent?—I do not think any landlord would in fixing his rent. It is a matter of bargain, and of how many tenants are willing to come. I do not think I, or any landlords, consider what we have spent upon the land. We are only too glad to close our eyes to anything so unsatisfactory. We see what the tenant is ready to give, if he is a good man.

17,945. But you would not expect to get interest on an outlay made more than 50 or 60 years ago?—In such cases as the fens where you have got a submerged district of considerable extent that was worth very little, and where directly the water was taken away the land became valuable land it might be allowed, but these are very exceptional cases.

Farming to a profit.

17,946. You say that you succeeded in getting a profit out of the land you were working yourself up to 1892, I think out of the Cambridgeshire property?—Yes, it was a reasonable profit.

17,947. "No cause to complain," I think, was your expression. You, of course, farmed the land well?—Fairly, but I do not think I have been an over good farmer.

17,948. You do not starve the land in manures and or cake, I presume?—I would not spend a sovereign if 19*s.* would do. I look upon farming as a business of small economics, apart from a science. I am not talking of scientific instruction on the subjects bearing on farming, but when you come to the absolute management of a farm you find then that it is a business of very small economics, and that many old practices have to be followed. For instance, the man who gives his orders to his servants over night as a rule is not so good a practitioner as one who is up in the morning to meet them at the gate. Those are little things to do with the practice of farming, but they are essential.

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17,949. What I meant in asking you whether you farmed the land fairly well was whether you consider it a good policy to put good stock and to use good seed, sound cake, and good manures on your land?—Certainly.

17,950. I am not asking you whether you believe in extravagant farming, but in careful farming and the choice of the best stock and the best seed, and so on?—Yes, but not advertised seed and not advertised manure. I am very shy of anything that is advertised.

17,951. I think you said that the best quality of produce still paid fairly well as compared with inferior produce?—I think the best produce of barley pays, but no produce of wheat pays, you get something out of the best produce of oats.

17,952. It pays better than the worst, I mean?—It does.

17,953. It still commands a better price?—Yes, and you lose character too—that is another thing—if you always put upon the market bad things.

17,954. I am asking you that question because you said that you did not believe—and I want to get it clear on the notes—that putting money into farming now was a remedy or would meet depression, but I suppose you would put a limitation upon that?—I would not put any speculative money into it. Of course, if we have got arable land we must plough it, and we must have the best plough, and the best horses and the best men, and we must pay them, but if a man came and said, "You had better give up your ploughing and take to "scuffling, or some bewilderment of that sort, "and you must spend a little more money in that "way," I would say, "I will keep where I am, and I "will carry on what we believe to be the proper "process of farming in the best way I can, only not "spending one farthing more upon it than is essential." I do not mean by that to cut a man down, for there is nothing that pays better than a well-paid farm labourer if his powers are equal to his money.

17,955. I gather that you would not be surprised to hear that even in a county like Essex we have had evidence before us that a thoroughly good farmer who goes in for good stock and good management on a dairy, and who has 950 acres, has made a net average profit on his capital of 6 per cent. since 1879?—May I ask whether he was a Scotchman.

17,956. I think not, but I am not quite sure?—I know that the Scotch are doing fairly well in Essex. I know of owners who are doing very well in Essex, but they are great milk owners.

17,957. I am merely asking this because your previous evidence would give the impression to a reader that you discourage putting a reasonable amount of money into farming?—I should like to see that Essex man. Is he a grower of seeds for Sutton? so many of those Essex men unite that with their other farming.

17,958. He sells fat stock, and supplies milk to London?—He might do something with the milk.

Valuations.

17,959. One other point; you expressed an opinion that the present system of valuing was very unsatisfactory?—Most unsatisfactory.

17,960. I think we may put your opinion thus: that you would like the condition of the farm thoroughly scheduled and inventoried at entry?—Yes.

17,961. And that you think it would be possible to have a valuer of some kind who would be able to check that schedule and that inventory at the end of the tenancy, and award what is really a just and fair compensation on that system?—I think he would; at all events, he could protect the landlord repeatedly. You have only got to look into the law reported cases where a tenant seeks compensation under the Agricultural Holdings Act, and would be likely to get it, but the owner comes in under that Act with a counter-claim, and the counter-claim very often is proved to rest upon the very reasonable foundation that the fences have been neglected, and the roofs of the buildings neglected, and that most wilful and careless mismanagement of the landlord's part of the estate has been exhibited by the tenant, and the tenant's claim then comes to next to nothing or worse than nothing.

17,962. May I take it that you consider it a fair test of what the farm is at entry, and of what it is at going out, if you can state the quantity of produce, the num-

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ber of beasts and sheep, and so on, it can carry?—Yes; for the last two or three years, not just one year, and the condition of the farm. In London, if we alter any buildings, and if we are fearful of any claims being made for ancient lights, we photograph the buildings before the work is done. I can see no difficulty in photographing a hedge, or in photographing farm buildings before the tenant comes in. It would be a very little expense to get an accurate exhibition of the condition of the holding before the man comes on. I may be wrong, but that is what I had in view.

17,963. We have had an objection to your suggestion made by another witness, to the effect that if you had this close scheduling of the condition at entry, and then another man to examine the farm at the close of the tenancy, you would get different results; do you think that would be so?—It might be; but I am all the time contemplating a case which, I think, is a reasonable one to contemplate, of a tenancy of 40 years, when, perhaps, the original landowner is dead, and the original tenant of the farm is dead; then, I think, more than ever, it is important that the successors, the people who have got to deal with the property 40 years after the original date, should know as exactly as we can enable them to know, the condition of the holding when the original tenant came on. I am sure that I cannot put too strongly before the Commission the great difference it would have been to owners of property if an accurate record had been made of the condition of what they have to offer. What owners do with regard to land is so unlike the treatment or the practice they would pursue if they were letting their house in London, and yet that is a mere song compared with the land.

Free trade.

17,964. I want to ask you whether you still adhere to your well-known free-trade opinions?—I am what is called a bigoted free-trader.

17,965. You have not changed your opinions owing to the present condition of agriculture?—Not in the slightest; I daresay free-trade will hurt me very much, but I must bow to a righteous policy.

Dairying.

17,966. (*Mr. Elton.*) Are the creameries being extended in the villages or small towns about you?—Not much with us in Northamptonshire. There is one little factory which has been started on Lord Spencer's property, and friends of mine have to do with it, but it has not been very successful. But what they make is remarkably good, and commands the first price in Northampton.

17,967. I suppose their butter is more even than if it came from the several farms?—Much more.

17,968. Do you anticipate, then, improvement to agriculture from the enlargement of the system of creameries?—Yes; I think creameries, no doubt, would be serviceable for those who are going to have their dairy produce made into butter.

17,969. The superiority obtained by the Normandy butter and Brittany butter as they call it, chiefly consists in the fact that you can depend on the regularity of the article?—Certainly.

17,970. Do you think we could get that up in England?—I am sure we could.

17,971. Just as they did in Denmark?—I am certain we could.

Tithe.

17,972. About those corn averages. Do you suppose that the inquiry which was held satisfied the agitation on the subject?—No, I do not think it did.

17,973. I thought you said you had not heard much about it since?—Very little now.

17,974. Then the agitation has practically ceased?—No, it has not ceased in Essex, because the tithe, or tithe rentcharge rather—that is the proper way to put it—is higher in some instances than the rent that the freeholder could get upon his land.

17,975. Do you think the question is not a pressing one now?—I should be very glad to see it settled. I think that there should be something done to enable the owner of the tithe and the owner of the freehold to make some arrangement between themselves. Here is land worth 5*s.* an acre. The tithe upon it is 5*s.*, we will say. It is not cultivated at all because there is nothing left to the landlord. I think if there was legislation to enable the tithe owner and the landlord to come together and say: Now then, will you take less tithe and leave something for the rent of the land a tenant might be found.

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17,976. What I was asking was whether the farmers' minds were much agitated on the subject at present?—I am a tithe owner myself, and we have very little agitation and very little trouble about it as far as I am aware in Cambridgeshire. The tithe is a heavy one, but then the land is good.

17,977. There is a question about the rating that I should like to ask. The railway company, you say, notwithstanding the difficulties, was rated?—Yes.

17,978. And the rate was upheld?—Yes.

17,979. But in another case the railway company pointed to a man who was not sufficiently rated, and that stopped the transaction?—It upset the case.

17,980. Did it absolutely cease; did they let the railway off on that ground?—The case dropped. The assessment committee could not sustain their ground of assessing the railroad because they had got all the other hereditaments assessed at manifestly below the value, at all events those which the railway company adduced.

17,981. Did you ever know of a case where the railway company's objection caused the other hereditaments to be largely increased in rating?—No, I have not known that.

17,982. Did you ever hear of the rating of machinery question being raised by a railway company on the ground of their being rated severely, while the machines in the factories were not rated?—No, I have not heard of such a case. I am quite aware that the railroad is assessed upon the whole undertaking, and not upon the land only.

17,983. The rating of machinery case arose in a union where I live, and I thought you might have known of it?—No, I know nothing of it.

17,984. Then you say the Leicestershire factory frames could not be rateable?—No, not if the frame is a moveable frame.

17,985. Do you know that the judgment in a long litigation, which occurred in consequence of the railway rating, was that the frames were rated, though they were moveable?—I did not know that; I am very glad to hear it.

17,986. And that it was upheld by the Court of Appeal?—I did not know that.

17,987. They said the contrary was hardly argueable?—I did not know that. I thought the first take off from the original power, the main shaft, was always rated, but I did not know that it went further.

17,988. I am talking of things which rest on the realty by gravitation and not by being fixed?—I was not aware of it, but I am very glad to learn of it, and I will make use of it.

Sale by live weight.

17,989. That is so; we have found it in our union. About the weighing of cattle you said the Irish dealers were in favour of buying by live weight?—I think they are.

17,990. I know they are; they have told me so on another Commission; were the farmers in favour of it?—No, except a few, and they are afraid of being boycotted. I have known a farmer boycotted who had his cattle put upon a weighing machine at a very important market in England. He put up a machine himself. He farmes about 1,000 acres of land. The dealers perfectly well know that he weighs his animals before they come into the market, but they do not say anything about it when it is done in that way. I think that there again, if I may say so, we want some assistance, either from the Board of Trade, or from the Board of Agriculture, with reference to the machines that are already sanctioned as proper weighing-machines. As we have got them now in some cases, not in all, they really are useless. There are machines sanctioned to be used at markets that do not pretend to weigh within 28 lbs. of the real weight, and 28 lbs. of meat is of some value.

Market tolls.

17,991. Have you found the market tolls system a great burden on your agriculture?—No, the tolls in the markets that I send to are very light. I think corporations being the sole proprietors of the markets in many cases, is very mischievous.

17,992. Do you approve of the recommendations of the Markets Commission which were to the effect practically that the market tolls should be done away with as far as possible after allowing for the bare expenses of management and repair of buildings?—No, they do

not concern me; the tolls are so light that one does not feel them. When the bill comes in and you put the railroad carriage and the commission down, the toll is a mere nothing in comparison. Of course, it is something, but we should have to pay for it, somebody would have to pay for it at any rate, if they were got rid of.

The Agricultural Holdings Act.

17,993. Now in reference to the Agricultural Holdings Act, I think you are the author of Clause 19 relating to the item valuation?—Yes. That Bill as brought in originally in the House of Lords had two great defects in it, and absolutely as it would have left the House of Lords a tenant could have gone in and claimed compensation under the Act, under the custom of the country, and under a lease.

Valuations.

17,994. I would not trouble you with the details of your own clause. You say that the clause is not always carried out?—I am certain that the clause relating to items of valuation is not; and you may say that there is a universal desire to evade it.

17,995. In the awards do they not generally follow such a form, as for a hedge on clay acre, for a road from brown acre to black acre, or for an osier bed, and so on? Is that not sufficient information as to the items?—I think there would be, perhaps, such a thing as an osier bed put down, because that would be an improvement of the first class. The valuations are made up in this way: "To so much for artificial manuring unexhausted" without a statement, which my clause contemplated, of when it was put on and what quantity was put on.

17,996. Do you know of any case where an award has been returned to a valuer on the ground that his description was too general?—Not one; but I do know of a case where the landowner found he had been seriously, as he thought, robbed, and where he would have made use of this remedy under my clause, but that he was too late, because his own valuer had consented to this valuation and award, and it was considered too late then to go back upon the Act.

17,997. But quite lately have you not noticed in the courts that an award was sent back to the valuer? I think it is very likely the same case, in another stage, as that to which you refer, if he was a west countryman?—I have not noticed such a case.

17,998. The court appears there to have upheld your view to some extent?—I am very glad to hear it.

17,999. That is so. It is very likely the same gentleman for all I know; and they have sent back the award, because notwithstanding that he had consented to too much, yet the law was imperative that it must be in particulars and not by way of generality?—I am very glad to hear it, but I was not aware of it.

18,000 Then I do not understand you to say that the items must be minutely described in the award like every lock on a gate?—No. But when I drew that clause I meant the time at which the improvement was made——

18,001. Reasonable particulars?—Yes; the time and the nature of the improvements.

18,002. And the extent. I leave out what you said about photography, with the remark that I suppose you do not attach much importance to the fact that the courts of law consider that photographs of buildings and objects can prove almost anything?—I did not know it.

18,003 You do not trouble much about that?—I always think they are very useful, as good as measuring.

18,004. Yes; to show whether there is some ancient light or not, as you said, but not to show the condition of a bank?—It would not show the condition of the land, but it would show the condition of a hedge or gate, I think, or of a building, whether the roof was in good repair or not.

The making of land.

18,005. I am going to ask you one question about the article you wrote, which I read with great interest at the time, on the making of England. I understand your Wychwood Forest case very well, because it is one of the worst last bits of England left unmade; and it is easy to see that they took it and made it out of a waste?—Yes.

18,006. Then I think you mentioned some Surrey land?—No, Shap Fell.

18,007. I will mention it, then. Surrey land, which may be described as a platform on which you put 10*l.* worth of chalk and soil per acre, and then you have got a piece of land; you have made the land there in that case?—Certainly, you would have made it.

18,008. But a very large part of the country, of course, was made in what we may call primæval times. You do not go back to the bringing of the country into cultivation by the Romans, do you?—No.

18,009. Still, they did bring most of it in?—I should go back to the time when the piece of land you have in view was in a state of scrub. I am quite aware that you would have to go back to the early days of the Romans for some portions.

18,010. Certainly, I could take you up to the earliest stone age. You said you had taken typical estates?—I took typical estates.

18,011. Would not the best parts of those estates have been cultivated for 2,000 years?—I do not think so. A great deal of Lord Leicester's property really was running wild. There were bustards on it in the last century.

18,012. I said a great part of those valuable estates, or of any other valuable estates, a great part of the country. You see you might take almost all the corn land in East Kent?—I have no doubt the corn land of good quality in Kent was cultivated very early. At least my experience has satisfied me that our forefathers cultivated only the best land for grain, because now grain having become an unprofitable business to grow, and some of the land in the Midlands having been laid down, it is astonishing what good grass land we are getting out of the arable land. In my own case I am quite surprised at the quality of the grass, and now I am beginning to see that our forefathers broke up and cultivated only the best land for grain.

18,013. I did not want to go into any details; I only wanted to note the fact that our forefathers a very long time ago brought a very great deal of England into cultivation?—No doubt when the commonable fields were laid out away from the waste.

18,014. Any time you like; take the Norman Conquest; you have read the Doomsday Book, I know?—We are getting now into very interesting matters.

18,015. You would find it very interesting if I worked it out, because it is part of the factors of your 1 per cent. You were not speaking historically?—No.

18,016. (*Chairman.*) Your estimate was not based upon a historical view of the question?—No.

18,017. But rather I understood you to say an estimate of what would be the cost now at this moment of changing the land from its original state to its present condition?—Perhaps we must settle what is meant by its original state. I am quite aware that from the very earliest historical times, if you take any parish, there was a considerable quantity of land that was Doomsday land, which had been recovered from the waste and had become cultivable land, and taxable under crop.

18,018. Perhaps it had not been waste for a thousand years before?—But then behind all that stood the wood and what was called the waste, and that was the land which the English landlord brought into cultivation, and which has cost him so much money.

18,019. (*Mr. Eton.*) Then I do not take it as a historical fact that England was made by the application of a sum of capital on which 1 per cent. would not be paid now, adding up the rent together; but I take it as a reasonable proposition made by you that if England had to be brought into cultivation from a state of waste it would take a sum of money which all the profits now would not represent 1 per cent. upon?—I think it would.

18,020. That is the way I may take your theory?—Yes.

18,021. Without absolutely binding yourself down to history?—I must protect myself there. I took special cases where I could get the figures.

18,022. (*Chairman.*) That was another branch of the argument so to speak. Besides this rough estimate which you made, you took three particular estates, and you showed that within the last 30 or 40 years—— ?—Yes; or 100 years.

18,023. A very large sum of money had been spent upon them, the interest of which hardly amounted to the rent?—It would not amount to the rent, and it was money sensibly invested. I mean not by visionary people at all.

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18,024. We have had evidence of the same kind before us in the case of Lord Wantage's estate, showing what very large sums have been spent during the last 30 years, and with what very poor results?—Just so.

Income tax.

18,025. (*Mr. Elton.*) I take the effect of the memorandum which you were good enough to hand in to be this:—that people who lose money by farming can, now, if they prove the loss by proper accounts not only be excused from paying the tax, but can go and get back a reduction of the money that they had paid on other branches of their industry?—On other investments.

18,026. I think you are going to put in the memorandum?—Yes; I think it would be useful to hand in a print for the sake of the landlords in general. (*See* Appendix IV.)

Tenure.

18,027. There was one question which you did not quite answer, and on which I only ask for information in case you would want to say anything. You were asked whether the question of tenure meant the question of tenures of occupiers or the tenures of owners; do you find any hindrances to agriculture in consequence of tenures by owners which you did not describe?—No. Of course the conveyance of land is expensive; but then I am old fashioned enough not to wish to see jobbing in land. When I buy a bit of land I do not want to job it. There will be an expense when I purchase it for stamps and title.

18,028. I did not mean that. You are not much troubled with copyhold incidents and that sort of thing, are you?—I am, indeed. Mine is a very strict manor. I only wish all land could pass as it passes in a copyhold case.

18,029. I think your manor is celebrated for the way it is kept up?—We keep it very strictly.

Results of farming.

18,030. (*Chairman.*) How long have you farmed your land in Cambridgeshire?—A small portion of it since about 1845, and the larger portion for 11 or 12 years—12 years, I should think.

18,031. You did not farm the larger portion of it in 1879, did you?—I was farming a considerable portion then, and then I left it for awhile.

18,032. Had you experience of the bad seasons in 1879?—I was farming it in 1879.

18,033. Not the greater part of this Cambridgeshire estate?—Yes, I certainly was in 1879, but not all of it. There is one large farm—at least what we call a large farm—which came in after 1879.

18,034. You had very bad times then for two or three years?—Very bad indeed in 1879.

18,035. After that you recovered, I suppose?—After that the times were not so bad; still they have not been good times since 1879.

18,036. I understood you to say that until the last two years you made a profit?—Yes; the last two years have been disastrous years with me.

18,037. Till then you made a profit?—Certainly.

18,038. What do you mean by a profit?—I paid my rent, and the rent was a good one.

18,039. Did you pay interest on your capital?—No, but I got a high rent.

18,040. What did you charge yourself with for rent?—I call 47*s.* a good rent for the property, including drainage tax and tithe.

18,041. That is a very handsome rent?—That is a good rent.

18,042. Besides that did you make interest on your capital?—No, we worked with a very small capital.

18,043. What did you pay yourself on the capital?—I think the capital was about 6*l.* per acre.

18,044. What per-centage did you make on that?—Nothing; I lost the interest on the capital.

18,045. Then you paid yourself 47*s.* an acre?—I got the rent.

18,046. If you had reduced your rent you might have made interest on your capital?—If I had reduced my rent I might have charged in the books interest on the capital. I have reduced the rent now over the whole of the estate, as a matter of account in the books, to a pound an acre.

18,047. How does the rent you charge yourself compare with your neighbours?—I am sure I do not know what one large proprietor near me gets, but a great deal of land has been thrown on his hands.

18,048. What is generally the rent of land in your neighbourhood?—It has been the best land in the neighbourhood. I should think when ours was 47*s.* that the rent in the adjoining parishes would be close upon 40*s.* *Mr. A. Pell.* 20 Apr. 1894.

18,049. As much as that?—Yes, close upon 40*s.*, including drainage tax and tithe.

18,050. Then the last two years you have lost in consequence mainly of the bad seasons?—Yes, we had a very bad season, and the harvest the year before last was a very bad harvest. Then having laid down a good deal to grass, cattle became of very serious importance in farming; then came last year with that embarrassing dry season, and a fearful drop in cattle.

Price of cattle.

18,051. The fall in price of cattle was due to the drought, I suppose?—Yes. I have stood in Northampton Market, say at the beginning of November, and I have watched scores of calves sold—good calves that would have commanded at the best times 50*s.* apiece—and I have seen them sold for 2*s.* 6*d.* to 5*s.*

18,052. All that was due to the drought?—Undoubtedly that was the main cause.

18,053. There was no feed for the cattle?—The drought was the main cause.

18,054. Now, with the return of good seasons do you think it is probable that you will again make a fair profit?—I have a good opinion of stock. There has been a very great rise in the last week.

18,055. A very great rise?—Yes, in store stock.

18,056. That, I presume, is on account of the prospect of there being more fodder for the cattle?—Yes.

18,057. Therefore, immediately the price of lean stock began to rise?—Yes, but that again will be kept down by the small quantity of hay that is left in the country, as the result will be that everybody will mow in order to get up their stock of hay.

18,058 But subject to that, you may expect that stock will rise in proportion to the prospects of the good fodder?—I think so, undoubtedly; they are doing so now.

Prospects of farming.

18,059. Then I must ask you whether, looking to the future and to the prospect of average seasons, you think you can again make a profit out of your farm?—I hope I shall; that is all I can say. I have got plenty of cattle, because I have held on to my cattle, and never did I see the corn land look better. You will hardly believe, but I am going down to Cambridgeshire this evening, very much because they are overdone with grass on a part of the property which is on that beautiful green sand.

18,060. I think we may presume that the hot season of last year has done the land a good deal of good?—I have no doubt it has.

18,061. And that will come out in the course of the next year or two?—The meadows were full of subaquatic plants; they abounded in the flora of the meadows, but this last year's hot summer did for them, and we shall now come back to the better grass. It is very curious how the flora was affected by the previous damp, wet season.

Demand for farms.

18,062. Are the farms letting in your neighbourhood?—I have asked several agents upon that point, expecting it to be raised here, and I find that there is a better demand for farms.

18,063. Quite lately?—In Cambridgeshire, upon this large property which adjoins me, there was a large farm taken the other day which had not had a tenant for 13 years. I said directly, "That must be a stranger coming there," but no, he was a relation of the old farmer who left it 13 years ago. I suppose it let at a very much less rent, I suppose that is really the bottom of it.

Rates.

18,064. Has your farm been assessed at 40*s.* an acre for the poor rate?—No, the assessment is most unsatisfactory. It is a mere conjecture. I appealed against the assessment on one farm. I said: "I will let it to any of "you gentlemen, or any two or three of you"—there were very good farmers among them—"at 50*l.* for the 108 acres," and nobody would take it at that, but they assessed me at over 100*l.*

18,065. I am talking of your own case, what has your own farm been assessed at?—Taking it all over, I think we are assessed in Cambridgeshire at about a pound an acre, taking the good and the bad together.

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18,066. Is that reduced as compared with a few years ago?—There has been some reduction.

18,067. What has the reduction been?—I could not tell you.

18,068. Still, there has been a reduction?—I know there has been a reduction.

18,069. In consequence of the good management of your union, I suppose, the rate has been reduced?—I was talking of the Cambridgeshire land just now in the answers to those previous questions. I can tell you all about Northamptonshire too. There has been an enormous reduction there.

18,070. The good management then was in Northamptonshire?—Entirely. I do not want to say anything against what my Cambridgeshire friends do, but still it is different there.

Income tax.

18,071. Then as regards the income tax, have you paid it upon your actual profits?—I will tell the Commission what I have done. In Northamptonshire, where I am a tenant farmer, I pay just what they ask on Schedule A. for my landlord. I protect the landlord in one way. I always send the demand to him. I say, "You "are being charged a great deal more than you ought to "be charged." But then I have done with it. I think it is right that I should let the landlord know. In regard to Schedule B. I serve a notice on the proper form, on the surveyor of taxes in Northampton, saying, I object to the assessment made upon me under Schedule B., and I accompany this objection with a statement from the ledger, giving the headings of the customers, showing the profit and showing the loss—the debtor and the creditor account. When I first did that, which was about eight or nine years ago, the Commissioners sent for me, and they said, "Who keeps the books;" I said, "I do;" they said, "We wonder how you find time for it." They asked a few questions about it, and I showed what I paid. Since then they have never asked to see the books, but the surveyor has asked if I would be kind enough to note against the items taken out of the ledger what they were for, so that—and quite right too—he might see that among the expenses on the farm there is nothing that ought to be charged to capital. Every year till this year—I have not got it yet—generally they are very prompt in returning me the whole of the money. So much for Northamptonshire. In Cambridgeshire I believe we are going to send in a claim upon the whole property, including the manor fines, the tithe, and everything the whole affair of Albert Pell, and what his income is from this estate, satisfying the Commissioners at the same time that no part of the property is farmed for amusement, and that it is a business affair.

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18,072. Then I understand you that in Northamptonshire you have applied to the Commissioners for a return of the income tax?—It has always been returned to me ever since I made it.

18,073. And you have succeeded in getting it without much trouble?—Yes.

18,074. We have been told that farmers generally do not avail themselves of that?—No, but they are beginning to know a little of it. I have met a farmer on the road, when he has been riding to market, and he says, "I want to get my tax taken off; what am I to do?" and he has only got to show the Commissioners something written on the back of an envelope. But they listen to him, I believe—they are very fair.

18,075. I suppose we may take it that the farmers very seldom keep accounts?—I do not think they do very systematically.

18,076. There is a great want of business habits in that way?—I think it would be very useful to them if they kept a cost book now and then, so that they might detect at what particular point it was that they were losing money; that is what a manufacturer does.

The witness withdrew.

Adjourned till Thursday next at 12 o'clock.

Thirty-second Day.

Thursday, 26th April 1894.

PRESENT:

THE RIGHT HON. GEORGE JOHN SHAW-LEFEVRE, M.P., IN THE CHAIR.

Viscount COBHAM.
The Right Hon. HENRY CHAPLIN, M.P.
ROBERT GIFFEN, Esq., C.B.
Captain OWEN THOMAS.
FRANCIS ALLSTON CHANNING, Esq., M.P.
JOHN CLAY, Esq.
CORNELIUS NEALE DALTON, Esq., C.B.
ROBERT LACEY EVERETT, Esq., M.P.
JOHN GILMOUR, Esq.
GEORGE LAMBERT, Esq., M.P.
WILLIAM CUTLACK LITTLE, Esq.
WALTER HUME LONG, Esq., M.P.
CHARLES WHITEHEAD, Esq., F.L.S.

HERBERT LYON, Esq., *Secretary.*
R. F. CRAWFORD, Esq. } *Assistant*
FREEMAN THOMAS, Esq. } *Secretaries.*

Mr. ROBERT GIFFEN, C.B. (a member of the Commission) examined.

Mr. R. Giffen, C.B. 26 Apr. 1894.

Fall of prices since 1872.

18,077. (*Chairman.*) You have at different times since 1872 written on the subject of the changes of prices, and you were examined before the Royal Commission on Agriculture in 1882, and again before the Royal Commission on Gold and Silver in 1887?—That is so; and I should like to add what I think may be interesting for the Commission to know, that in 1872, when I commenced writing, the fall of prices which has occupied the public mind so much of late years, had not then commenced, but in that essay I anticipated, and gave grounds for anticipating that there would be a general fall of prices. I was set in motion by a gentleman, a distinguished economist, Mr. Thomson Hankey, who was of opinion, owing to the abundance of gold consequent upon the Australian and Californian gold discoveries, that the rise of prices which had been going on for a good while before that, was likely to continue; but the conclusion which I came to at the end of a very long investigation was to the contrary effect. I think also I should like to add that a good deal of my writing on the subject was anonymous; I was writing a good deal about it in the city between 1872 and 1876, and very much to the same effect as that essay, which is published, and

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which appears as one of my Essays in Finance, the first series.

18,078. You anticipated therefore in 1872 the fall of prices which began a few years later?—Of course, I spoke in a very tentative manner, and instead of expressing an opinion I collected a good many facts and statistics from which that appeared to be the obvious inference, and as a matter of fact the inference was justified by the event.

18,079. When did the fall of prices begin?—I think it commenced almost immediately after 1873: and in the earlier years when it commenced those of us who had been accustomed to study these subjects were, of course, not able to say whether the fall of prices which then had commenced was the ordinary fall of prices which frequently occurs after a period of inflation, or whether there was not something more. The next essay which I wrote was in 1879, and I read it before the Statistical Society, as to the fall of prices of commodities in recent years, and I discussed that very point, whether what had taken place was an ordinary fluctuation from high to low prices, such as takes place after every period of good credit, or whether there was something more in connexion with that fall of prices, and I came to the conclusion, as will be seen by a reference to the essay, that there was something more than an ordinary fluctuation from high to low prices, such as we find after a period of good credit.

18,080. In the few years before 1873 there had been a great inflation?—A great inflation.

18,081. And there was a reaction, but it was accompanied by a distinct fall of prices due to other causes?—I think there was a fall of prices due to other causes. When we came to 1879 we began to perceive that it was a fall of prices to a somewhat lower level than what the depressed period before 1872 had shewn, and therefore we began to infer that there was something more than an ordinary credit fluctuation in question.

18,082. I do not know whether you have examined the figures of the prices of wheat and the results per acre of land in England. I think it showed that 1879 was the first time when the prices of wheat did not rise in proportion to the deficiency of the harvest?—I cannot say that I observed that in particular, because I think about that time the question of the deficiency of the English harvest was becoming less and less important, owing to the intercommunication with foreign countries and the diminution of the crop of wheat in this country itself in proportion to the total consumption. I should not like to go into that without examining it.

Contraction of money.

18,083. Then, in your opinion, was this fall in prices due to the contraction of gold?—Well, I should like, before I express an opinion on that point, to point out that a good deal of confusion in the controversy and in the discussions which have taken place has arisen from people not being careful to be strict in the meaning of the language which they use. It seems to me that economists who had talked about appreciation or depreciation of money before the time that I wrote, people like Professor Jevons, had always been careful to use the phrase as the equivalent of a general fall or a general rise of prices; and if the use of the phrase is confined to that, it is very convenient. The question arises whether the appreciation, as we are dealing with appreciation, is due to a contraction of money or not; and I think it is most inconvenient to use the phrase appreciation in the sense of a contraction of money, for that gives rise to a great confusion, and we should confine ourselves to a strict use of the language, and speak of the appreciation of money as merely the equivalent of a general fall of prices, and then discuss the question how far and in what sense that can be considered due to the contraction of money. There is no doubt that at that time the opinion which I expressed was that to some extent the fall of prices, the general fall of prices, was accounted for by a contraction of standard money—and I lay special stress on the phrase "standard money." Many people have taken the words that one has used, and when you have been speaking of standard money they have taken your words and have applied them to currency, and then they say that the fall of prices is ascribed by Mr. Giffen, or somebody else, to a contraction of currency; whereas that was not justified by any language which you had used at all. All that you had said was that the fall of prices was accounted for by a contraction of standard money, and in this case the standard money being gold, it is simply an ordinary case of pressure upon a particular commodity, gold, and a demand for it causing a rise in its value. That is all that I ever meant, but in that sense there is no doubt I spoke of the contraction of gold at that time, that is, between 1872 and 1880, as helping to account for the general fall of prices which had then taken place.

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Fall in wages of labour and price of commodities compared.

18,084. Was the movement in the direction of the appreciation of money, or the general fall of prices you have referred to, accompanied by a fall in the value of labour?—That was a point to which a good deal of attention was given at that time, and I find in that first essay, which I wrote in 1872, I assumed very much that the fall in the price of commodities, which was quite general, would be accompanied, as a matter of course, by a fall in the wages of labour; and as late as 1883 I find that Mr. Goschen, in that speech which he made to the Bankers' Institute, was under the same sort of belief; but, as far as I can judge now, one thing which has come out in all these recent studies of the question is that the price of labour and the price of general commodities do not necessarily rise and fall together; that you may have commodities going one way and labour going another. That is to say, that if the price of commodities remains stationary, and a real improvement in the condition of labour is going on, you will have a rise in the money wages of labour; on the other hand, you may have the money wages of labour remaining stationary or even fall a little, and if there is an improvement in the general condition of labour going on, you may have a considerable fall in the prices of commodities. That is what has been going on, I believe, during the last 20 years. Labour and these wholesale commodities have not moved *pari passu*; and the case you have had is that the wages of labour remains comparatively stationary in money, and a real improvement in the condition of labour is represented by the general fall of prices which has taken place; that is to say, the anticipation of myself and other economists who were acquainted with this subject, 25 years ago, that labour and commodities would go together, has not been fulfilled, and I believe the reason is that sufficient attention had not been paid to the facts which occur in a progressive community. In the old times economists having to deal with communities much more stationary than communities of modern times found that they could include the price of labour with other commodities, and the two things went very much together; but now it is not so.

18,085. Would you say that since 1879 the wages of labourers have not fallen, or that they have not fallen in proportion to the fall of prices?—They have certainly not fallen in proportion to the fall in prices, and I doubt very much, taking labour all round and setting one kind of labour against another, whether you can say that the wages of labour have fallen at all.

18,086. I am now speaking of the money wages?—I am speaking of money wages too.

18,087. Then, if the money wages have not fallen, or fallen very slightly, in comparison with the price of materials, the real wages of labour must have increased rather, because the articles of food and so forth are cheaper?—That I think is the effect of the evidence—that there has been an improvement in the real condition of the labourer arising in that way. The improvement might have arisen in another way; that is to say, with the price of commodities remaining stationary and the money wages of the labourer increasing.

18,088. Has that in your opinion been generally the case in other countries as well as in this?—I think so, it has been comparatively general.

Recent changes in prices and incomes compared.

18,089. You propose, I think, to lay before the Commission tables containing some remarks on recent changes in prices and incomes?—I propose to put those tables before this Commission, and partly for this reason, that some of those tables which are to be found in that paper of mine read before the Statistical Society in 1888, on "Recent Changes in Prices and Incomes Compared," have been carried on by me for a great many years. They were not prepared for me for that paper, but had been in existence a good many years before. There is a short paper on prices to begin with, and a reference to index numbers. Then there are tables showing the imports per head, and points of that kind which all bear upon the subject; and tables of wages. I thought it would be useful simply that I should put these tables before the Commission for their convenience if they should happen to refer to that paper which I read in 1888, which contains the latest views I have to express upon the subject.

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18,090. Perhaps you will shortly explain the different tables?—The first table is a table of the prices of leading wholesale commodites in January of each of the years 1873, 1879, 1883, 1885, and in December 1888, and November 1893 compared. (*See* Appendix, Table I.). That table was commenced by me in the early discussion of these matters in 1873. I continued it in 1879, when I read the paper before the Statistical Society to which I have referred. I continued it in 1883, and 1885, for the purpose of other papers which I was writing, and which have been republished in the second series of my Essays in Finance. I continued it in 1888 for the purpose of that paper on, "Recent Changes in Prices and Incomes," which accounts for the date of December 1888, and then, some time ago, having in view the discussions which were likely to arise, I continued it with the figures for November 1893. I do not think it worth while to change them, because they are practically much the same at the present time.

18,091. (*Mr. Everett.*) Is there any substantial difference between the figures of one year and another in January, and in November and December?—The seasonal changes are not important in these questions at all.

18,092. (*Chairman.*) From that first table I think the main fall was between 1873 and 1879?—A very large portion of the fall was between 1873 and 1879.

18,093. And that I presume follows that they were only the reaction from the inflation of 1873?—From the evidence that I have to give afterwards, it will appear that many of the special causes of the contraction of money, to which I have referred, existed with special force between the years 1873 and 1879, or thereabouts, and they have not been operating with so much force all round now.

Fall in price of wheat.

18,094. The exception to that appears to be wheat, which fell from 55*s.* 11*d.* in 1873, to 39*s.* 7*d.* in 1879, and it fell to 27*s.* 6*d.* in 1893, and it is even lower than that at the present moment?—There is no doubt that wheat is something exceptional, but an obvious remark to be made is, that it does not follow that all articles take their changes exactly at the same time; and my impression is, that take it all round, the fall in cotton has been quite as remarkable as the fall in wheat, but the bulk of the fall in cotton undoubtedly occurred between 1873 and 1879. I do not think it is quite possible to account for all these changes without an essay on each case.

18,095. In the case of coal there is a remarkable fall between 1873 and 1879, from 30*s.* to 19*s.*, and it has remained fairly stationary since 1879; and that was exceptional, you say?—That is an exceptional thing, and the price in 1893 is also exceptional, it would not be so high now.

18,096. It has gone down again since then?—Yes. But of course the figure of 30*s.* for coal in 1873, as well as in 1893, was itself a very exceptional figure.

18,097. Well then, the second table is the comparison of the index numbers, is it not?—The second table (*see* Appendix , Table II.) is the comparison of the leading index numbers which have been employed in making comparisons of the general rise and fall of prices; of course the object of an index number is primarily to reduce all prices to a common denominator as it were, so that you can add them up, and say what the average change is. It would be quite absurd to put together the price of a ton of pig iron at 127*s.*, and the price of a ton of coal at 30*s.*, and the price of a pound of cotton at 10*d.*, and then divide them by three, and say that is the average price. But what you do is, you start with a basis of 100 in each case, or an equal number in each case, and then the per-centage of rise or fall can be worked out for each article on the average. That is the object of an index number; and I do not think I need explain what the effects of those changes are, because I think you will have some more evidence on that point, and the effect is now comparatively well known. Of course I am always speaking with reference to the paper which I read in 1888, where you will find a great many of these matters explained.

Imports and exports compared of shipping.

18,098. Then what do you say as to your third table?—The third table (*see* Appendix , Table III.) shows the average imports per head, and the total imports and exports per head of the population of the United Kingdom in quinquennial periods, and that is compared with a column of the entries of shipping per head, and the general effect of it is to show that in certain years of the period there was a great increase in values per head and then you come to a time when there is a fall in values per head; but as far as one can judge these changes and values do not quite correspond to the changes in the quantities of business as indicated by the entries of shipping per head, and if you compare the two together, you have some idea of what we believe to be changes in money connected with changes in the monetary standard itself, viz., that the scale had been changed as it were. For instance, if you look at the imports per head, you will find that between 1880–84 and 1885–89 there is a fall in the imports per head from 11*l.* 11*s.* to 10*l.* 4*s.* 10*d.*; that is to say, a decline of 11 per cent. But if you compare that with the entries of shipping per head, that is to say, the movement of ships which carried the same goods, you will find that there is an increase from 0·86 to 0·89; so that the entries of shipping were rather increasing at the very time that the values of the imports per head were diminishing.

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18,099. Then in the following period from 1890 to 1893, there is an increase both in the quantity of imports and exports per head, and also in the entries of shipping?—An increase of 8 per cent. of the imports per head, and an increase of 10 per cent. in the entries of shipping, showing again, as far as one can judge, although you must not reason too finely on figures of that kind, that the increase of business was greater than the increase of values; that there was some difference between quantities and values.

18,100. In the period of inflation from 1870 to 1874 there was a very large increase in the entries of shipping, and also a very correspondingly large increase in the imports and exports per head?—I think, on the whole, if you take all the periods together that the increase in the imports per head was rather more than the increase in the entries of shipping per head. That seems to indicate the inflation of that time.

Profits assessed to income tax per head.

18,101. Well, then, would you explain your next table?—The next table (*see* Appendix , Table IV.), shows the gross amount of profits assessed to income tax per head, and the use of it in the paper to which I referred was to show that along with the increase of the assessment which goes on with the increase of population there had been a great increase in the nominal values per head throughout the country, which again seems to indicate that down to about 1875–79, a good deal of the rise in those assessments per head was a rise of nominal values merely; that the notation had been changed; but after 1875–79 the assessments per head remained much the same until about 1890-92, when there is again a slight increase in the assessments per head.

18,102. From 1875 down to 1880 they were almost stationary?—They were almost stationary.

18,103. Then between 1882 and 1883 and 1884 they seem to have risen again?—These are in quinquennial periods, a method adopted for convenience; but the table below gives you the progress in each year, so that you can see what the changes were from year to year. (*See* Appendix , Table V.) Of course tables like these are subject to a good deal of observation, as there are certain changes of the assessments to the income tax which are made from time to time, but I do not think that there is anything very material which would be noticed in using the figures generally in the way I have given them.

18,104. You are content to show that alterations in prices have not affected really the profits of the country?—They tend to show that the alterations of prices were felt much more immediately after 1875–79; that is, then you had a state of things in which the assessments only increased in proportion to the population of the country, whereas before that they had increased much more, and that indicates some sort of general change in the purchasing power in the money itself in which those things are expressed.

Wages of labour.

18,105. Then the sixth table is devoted to the subject of wages?—To a comparison of wages; and I think if one looks into that carefully it has the effect which I have described, that there is nothing to indicate the fall in the rates of wages corresponding to the fall in prices which occurred after 1875. (*See* Appendix , Table VI.)

18,106. You have got the rate of money wages of the agricultural labourers in a separate table, I see?—Yes, the agricultural labourer is dealt with separately. (*See* Appendix , Table VI.)

18,107. Then take the year 1892, for instance, what do you say about that?—That was the year when I got the figures mostly from the Labour Commission. Of course, with reference to a table like that, it would be subject very much to the observations of the evidence which we have heard before this Commission, in which we have had some statements made with reference to

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the wages of labour in different parts of the country; and there is a great difficulty in making tables, in a matter of that kind, from the statistical conditions not having been properly observed in stating rates of wages at different times in the past. I think in future the statistics of wages will be much better than they have been in the past.

18,108. I think the general drift of the evidence before us, and, so far as I have observed, before the Labour Commission, has been that there has been a rise of wages between 1870 and 1880, and then a subsequent fall again?—A slight fall in some parts of the country.

18,109. But that the fall in 1880 did not bring it back again to the position of 1870?—Yes.

18,110. But since then; between 1880 and 1892 there has been a very slight fall?—Some go back. But that is subject to many statements made before this Commission itself, so that we must be very careful in putting any exact figure upon the rise and fall of wages since 1880.

18,111. The total you have given here is that in some few cases there has been a fall between 1880 and 1892, but in the great majority of cases the wages have remained stationary?—That is the effect of it.

18,112. And in some cases slightly, that was probably due to local causes?—Mr. Little may be able to tell us something about it, but it is quite possible that slight variations may arise in this way, that they are different people who give figures for 1892 from those who gave them from 1880-81, and you do not know exactly always that they have done the same thing; there are changes of that kind which one ought to be aware of.

18,113. At all events you come to the conclusion that there is no corresponding movement to the wages of labour as compared with prices?—I am sure of that, and I have given them here separately, because we expected, in 1872, and a few years afterwards, if there was a general fall in prices of commodities, that the wages of labour would also have gone along with them, and that has not occurred.

Improvement in wages since 1875.

18,114. Can you make any calculations, assuming those figures to be accurate, of what has been the real improvement in wages having regard to the lower prices of the principal articles of consumption?—I should be inclined to think about 20 per cent.

18,115. (*Mr. Lambert.*) From when?—Since about 1874 and 1875.

18,116. (*Chairman.*) From 1875-92, the real wages of labour estimated on articles of food and raw materials has improved by 20 per cent.?—Yes, and I am inclined to think that that is perhaps a minimum statement in this way, that we can measure a general fall of prices of commodities by taking certain leading commodities as to which we can follow the prices over a very considerable period, but one of the difficulties in making general statistical statements on a subject like that is, that in the case of a period like the last 20 years you have great changes in the commodities in use, and new things come into use, or old things come to be more in use, relatively to others, than was formerly the case. I might mention for instance, such a thing as oil for lighting, and another thing, electric light, and inventions of that kind which come into use over a given period, and of which the whole community get the benefit, and where the fall of price, one may say, is almost indefinite, as you have the opportunity of getting a thing which you could not have got at all at the beginning of the period. So that if you find there is a general fall of prices amongst known things that you can follow, and you are speaking of a community which is in a progressive condition, like the community of England at the present time, you may be sure that the general fall of prices which you can trace is somewhat less than the actual fall of prices of which the community gets the benefit. That is my impression.

18,117. Then you would conclude from these tables that no adjustment has been possible as regards wages, in the conduct of business, either of manufactures or of agriculture?—I think not; that unless the quality of labour has improved, there is no adjustment.

18,118. As to the quantity?—The quality and quantity; there may be changes of that kind, taking the country all over, and allowing for the greater efficiency of the machines which are employed. Adjustments may have been effected in that way.

18,119. Have you compared those tables with the condition of pauperism and the number of people out of work?—I have not especially dealt with the condition of pauperism, but I am able to speak of it as a well known fact that year by year all through this period pauperism has declined, and I see no reason to believe that there is any diminution of employment over the country generally at the present time compared with what it was 20 years ago. There is not the slightest evidence of that.

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Decline of pauperism.

18,120. Then the depression, whatever it may be, which has lately occurred from the low prices has not affected the class of labourers?—I think not. I think labour is not more abundant and the labourer is better off.

18,121. (*Mr. Chaplin.*) That is generally?—Generally.

18,122. (*Chairman.*) I think the next two or three tables have reference to matters somewhat later in your evidence?—Yes.

Imports of gold.

18,123. Would you refer again to your statement?—With reference to these tables as to which I have been giving some explanations at the request of the chairman I thought myself that the first point to which I would call attention would be Table IX. which has not yet been referred to. (*See* Appendix , Table IX.) Table IX. I referred to in order to call especial attention to the different result as regards the imports of gold into the United Kingdom during the last few years from what the results were in the period between 1872 and 1887. In the first period of the table, the one which I dealt with when I was writing in 1872, namely, between 1858 and 1871, you have an excess of imports of gold into the United Kingdom of, in round figures, 68 millions sterling. In the second period, between 1872 and 1887 you have facts before you which seem to me to indicate the great pressure upon gold, and you find that at the end of the period the excess of imports into the United Kingdom is 10,195,000*l* only. And now in the last six years the excess of imports of gold into the United Kingdom begins to resemble what took place between 1858 and 1871, and you have an excess of imports over exports in the last six years of 31 millions sterling, and later on I mean to refer to those facts, along with others which seem to me to show that the circumstances relating to gold have changed somewhat during the last few years, and whereas there was contraction and pressure between 1872 and down to 1887, that the pressure has been somewhat relaxed of late years and that is a point which ought to be brought before us in a question of the discussion of future prices.

18,124. These tables, I presume, do not take into account what I may call the leakage of gold, any gold taken out of the country by travellers?—We must not put too much stress upon the figures and assume that actually 68 millions came into the country between 1858 and 1871 more than went out of it, because there is that leakage going on and that applies to the last six years. In looking at that point at different times, I have come to the conclusion that there is a continual annual leakage of about a million sterling that comes back as an import, and never goes away as an export; these figures are subject to that observation.

18,125. (*Mr. Lambert.*) Would it be so much as a million sterling?—There is ample evidence of that, I think.

18,126. (*Chairman.*) Then if that is so between 1872 and 1877 there was a real decrease in the quantity of gold?—As far as one can judge. If you take into account the fact that about two millions of gold was being used in the arts all that time, there must have been considerable pressure between 1872 and 1887.

18,127. (*Mr. Everett.*) May I ask if there was any reason why you did not begin earlier than 1858?—The reason I did not begin earlier was that I could not go back any further at that time; the statistics did not exist; you had the exports, but not the imports, or *vice versâ*, I forget on which side the defect was; but that was the reason why, when I wrote in 1872, I commenced in 1858.

18,128. (*Chairman.*) And as to that large amount of 31 millions which has been imported into the country since 1888; is a large proportion of it in currency or in the shape of bullion?—I have not investigated that. If Mr. Channing would like to know, I could easily tell him. The thing is quite easily followed out in the annual statement.

18,129. How do you account for the very large increase of nine millions of imports in 1890?—That was

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the year of the Baring crisis, and part of it was brought over specially by an arrangement between the Bank of England and the Bank of France. Generally the effect of a crisis like that, although it occurred late in the year was to cause a lot of gold to be obtained by way of precaution not only when the crisis occurred but in anticipation of the crisis.

18,130. (*Mr. Lambert.*) As to that million, does it go in leakage? Do not foreign travellers bring money into this country?—There is not much money brought by foreigners to this country as compared with the money taken out of the country by the English people.

18,131. Have you taken that into account?—I do not think it is a material point. I have considered it; I have had occasion to think of it.

Agricultural production of United Kingdom.

18,132. (*Chairman.*) I think you have now to give us a table showing the agricultural production of the United Kingdom?—I have got a calculation made of the amount of agricultural production in 1891, based upon the actual prices of the day, on a method similar to that followed in the calculations of Mr. Howard and Mr. Turnbull, which are well-known, I think, in the agricultural world. Then I have got a calculation made of what the production of the same quantities of each article would have realised at the prices of 1874. These calculations are shown in Tables XI. and XII. (*See* Appendix , Tables XI. and XII.)

18,133. I see the difference in the two calculations is between 299 millions and 222 millions?—Yes. The 1891 calculation shows that the agricultural production might be valued at 222 millions sterling. When you apply the prices of 1874 to the same quantities you get a figure of 299 millions sterling, showing a fall on the average between 1874 and 1891 of 25 per cent. The object of that is to bring out, not merely the special fall in particular kinds of agricultural produce, but what the general average is, allowing for the proportion in which each quantity enters into the total. I may say that these figures were prepared for me by a gentleman in the Board of Trade, who is himself a practical agriculturalist, and who went into the details. I think that in some cases, perhaps, the changes are rather more than I should have made out myself, but on the whole it seems to me that the comparison is a very fair one, and that the general change in agricultural prices, allowing for the effect of particular articles according to their importance in the agricultural economy, comes to about 25 per cent.

Fall in price of milk.

18,134. The tables give the fall in the price of milk as from 9*d.* per gallon to 6*d.*?—That was one of the items which I think are perhaps exaggerated. I think it arises in this way, that the figure of 1891 is taken from a calculation of Mr. Rew, and that the figure of 1874 is very much the price which this gentleman, who is well acquainted with dairy farming, and who is an owner of dairy farms, found that his own particular product of milk, butter, and cheese, had been fetching. There is no doubt that there is a very considerable difference between 1874 and 1891, but subject to a criticism of that kind upon particular items, it seems to me that the comparison on the whole is a very fair one. If you were to go into particular items you would have to take account of such a fact as this, that the recent calculations are for 1891, in which the price of wheat happened, exceptionally, to be rather higher than it has been on the average during the last two or three years, and other corrections of that kind would have to be made if you were going into it minutely.

Price of agricultural products.

18,135. These tables seem to show that in respect of those articles which are grown in this country, and of which there are no considerable imports, there has been no great reduction in price—potatoes, hay, and straw for instance?—As to potatoes, that is the effect of it; but as to hay and straw I think that perhaps the table is not so representative of the actual facts of a change of price, because there are great difficulties in getting any effectual statements as to the prices of hay and straw at such a distance of time, and the figures are substantially the same at the different periods.

18,136. That may be inaccurate then in respect of hay and straw?—Not much stress can be laid upon it in that way—in the absence of good information.

18,137. But in the case of potatoes probably the figures are accurate?—I think the figures are accurate, some pains have been taken about them.

18,138. The reduction in price in them is considerable?—Yes, but as to hay and straw there are naturally great difficulties in the way of getting any idea of what the average prices of hay and straw are all over the country.

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Price of meat.

18,139. In the case of meat you show a reduction?—From about 65*l.* a ton to 50*l.* a ton. I think that corresponds fairly well with the changes that we have seen recorded in meat. I think I may point out that as far as one can tell the reduction in the price of meat has been very largely in the inferior qualities, and that you do not trace the same reduction in the very best qualities; but that is just one of the points that one has to take care of in a calculation of this kind.

Price of dairy produce.

18,140. As regards milk, cheese, and butter, I think the evidence before this Commission so far does not indicate a fall in price so large as is shown in these tables?—That would be so, but yet the gentleman who made the calculation for me is very well acquainted with dairy farming, and claims that a very considerable change has occurred according to his own experience—much more than would be indicated by some other figures as to imports. Still, these statements are put forward not as perfectly accurate in every detail, but as showing the general effect of the change of prices, allowing for the proportion of each article.

18,141. These tables do not give a real comparison of the production of the country in the two years because there has been a great change in the cultivation?—There have been great changes of cultivation.

Lessened production of cereals.

18,142. And there has also been very much less corn of all kinds produced?—Yes. Table XII. (*see* Appendix , Table XII.), is made out upon the assumption that the same quantities were produced in 1874 that were produced in 1891, but of course we know that the same quantities were not produced. It is only a mode of focussing what the fall of price really means.

Fall in price of wheat.

18,143. I see there has been a great reduction in the production of corn and an increase in the production of meat and dairy products?—Yes. The fall in the price of wheat has been much greater than the fall in anything else.

18,144. (*Viscount Cobham.*) But there has been a diminished production on the whole?—There has been a very greatly diminished production of cereals on the whole, and that would have the effect of diminishing the total gross produce of agriculture.

Fall in price of wool.

18,145. (*Mr. Chaplin.*) The fall in wool has been almost as great, or greater?—The fall in wool has been very great indeed. At the beginning of the period wool was still benefiting by the after effects of the cotton famine in the sixties, and I think the price of wool was rather exaggerated, but since then there has been a great fall.

18,146. I thought, speaking purely from memory, that in 1874 or about that period the price of wool was a good deal higher than is estimated in these tables?—I could not go into details with you upon that point. If you would like me to do it, I could obtain further information.

Value of agricultural production in 1874.

18,147. (*Chairman.*) I think Sir James Caird made an estimate of the value of the agricultural production in the year 1874?—Yes; not the year 1874 precisely, but about that time. Sir James Caird's estimate was about 260 millions sterling, and that was made either in 1874 or some years before then. That was the general figure which he took, and of course, as compared with the estimate for 1891, that still shows a very enormous reduction.

18,148. You would consider, I presume, that the change in the gross return of an old-established industry like that of agriculture would necessarily produce great perturbation and cause a redistribution of profits and wealth?—Yes. Whether we go into a question of appreciation of money or anything of that kind the effect of such a great change in the prices of the gross produce of an industry like that of agriculture must necessarily involve a redistribution of wealth and a great immediate perturbation. By the redistribution of wealth of course I mean that it involves a great fall of rents, and perhaps a loss of profit to the tenant farmer; and the perturbation in the industry consequent upon it of course is the origin of the existence of this Commission itself.

Effect of foreign competition.

18,149. How far do you consider it may be due to more competition and the greater imports of foreign produce?—I think that the foreign competition which would have been felt in any case, has, perhaps, been felt in an aggravated form owing to the change in the scale of money prices. If there had been stationary

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prices on the average—which might have happened—then to give the labourer the advantages he has now, compared with the former period, there must have been a considerable rise of money wages like what took place between 1850 and 1874, which would have affected money profits *pro tanto*. But rents and profits otherwise would not have been affected. The burden of mortgages and other charges would have remained less than it has become by the increase of the purchasing power of the money in which they are expressed. This different effect upon rents and profits of foreign competition in different circumstances of money accounts for a good deal of the feeling about low prices. Foreign competition has not been the same thing as it would have been had there not been what economists call an appreciation of money, otherwise a general fall of prices. To put the matter shortly, my view is that in any case foreign competition must have reduced rents, the real reward of labour having greatly increased here in the last 20 years, but the nominal reduction would not have been so great as it has actually been. Eventually it is of no consequence what the money is. Everything gets adjusted to the scale in time, though there may be great perturbation in the transition. But I consider that the effect on rents of a rise in the real reward of the labourer is permanent, and to that extent, if the foreigner continues able to produce at present real prices, rents must remain permanently lower, measured by their purchasing power (and apart from any question of money) than what they were 20 years ago. To this cause of change money does not matter. As the real reward of the labourer has increased the real reward of other interests in land must be less, production remaining substantially the same. If agricultural prices had not fallen so much as other prices, or had fallen more, the effects would have been different from what they have been; but substantially I consider that there has been no greater fall in agricultural prices, taking them all round, than in other wholesale prices.

Fall in agricultural prices and other prices compared.

18,150. Then you say that in the case of wheat, and possibly wool, there has been a greater fall of prices?—If you mix them up with the other agricultural prices, you cannot say that the fall in agricultural prices on the whole has been much greater than the average of wholesale prices.

18,151. Possibly not, but the effect of those two special items, which of course affect the position of certain classes of farmers very much and the rent of certain classes of land—— ?—No doubt.

18,152. Must be very much more serious?—It is always important to remember when we speak of averages that there may be a great many effects upon particular classes that are quite different from what the average is, and I think that is one of the things which you must always remember when you speak of averages.

Fall in prices of wheat and wool.

18,153. The figures tend to show that there has been something more than the general appreciation of gold or the fall of prices due to the appreciation of gold which has effected the great reductions on wheat and wool?—I think there is probably something special in the case of wheat and wool, but then we have also to consider that what is special in the fall of price in these two particular cases may also be temporary when we look over long periods of time, and it is quite possible that in the case of both wheat and wool you may have some special recovery of price in the next 10 or 20 years, so that we must not assume that this is absolutely permanent.

18,154. But 10 or 20 years seems rather a long period?—No doubt.

18,155. And in the meantime the producers of these particular products would suffer proportionately more?—But the fall has been going on also over a very considerable period.

Rise in wages of labour.

18,156. I understand you think what the agricultural interest is suffering from is not merely the fall in prices but also the increased remuneration of labour?—I think the increase in the real remuneration of labour is a very important matter that ought to be distinguished from the fall in prices altogether, because that has had an effect upon agriculture which would have been felt whatever the change in money prices had been. I may put it in this way, suppose out of 100 acres the labour used in a former time to absorb 30 acres of the gross produce, that is 30 per cent., then the real remuneration of the labourer increases, and whatever the money is, he gets in money the equivalent not of 30 acres but of 36 acres. That change when it happens must affect the other interests in agriculture very seriously, and very likely it must affect the landowner who receives the rent, because he then receives as his share of the gross produce the produce of a smaller number of acres than he did before. That is the effect of the competition between the labourer and the landowner. This is not a question of money at all, but it is a question of what the labourer actually receives.

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18,157. Can you form any opinion as to the causes of the increased remuneration of labour during this period?—Nothing, except that the progress of invention and the continual accumulation of capital have all been to the advantage of the labourer.

18,158. And the reduced price I suppose for carrying commodities from one part of the world to another?—It is part of the progress of invention that you have been able to bring produce from a great distance to the labourer in this country.

18,159. At the same time I presume you would say that there is no evidence that there has been any falling off in the demand for labourers or in the employment for labourers taking them as a whole and disregarding special circumstances in particular places?—Taking the labourers as a whole the labourer has been in demand the whole time.

Effect of change of prices on agriculture and other industries compared.

18,160. Then in regard to the special complaints of agriculture as compared with other trades what have you to say upon that point?—With regard to that question, I think I should like to point out that the magnitude of capital invested in land, the fixed capital, and the large share of the gross produce which the owner of the land and the tenant farmer together have received may be counted amongst the causes why the effect of the change of prices has been so much felt, because there has been a great reduction of the profits received by certain classes without an immediate adjustment of all the different things that earn the profit. I find for instance that in shipping it is not an uncommon thing that only 10 per cent. of the gross receipts of the shipping industry go to profit, but in agriculture, I think, if you put the tenant's profits and the landlord's rent together it would not be too much to say that frequently 50 per cent. and upwards have gone to the tenant and to the landlord together. Consequently when there is a reduction in the value of the gross produce, which must be felt by the tenant and landowner together, there is a great outcry, although there is no immediate necessity for adjustments to enable the tenant and the landowner to live at all. If you have a great reduction in prices in a business where only 10 per cent. of the gross receipts go to profit it is absolutely necessary and indispensable that the people carrying on the business should make an adjustment by which they can carry on, or the business would come to an end. But it is not so necessary in agriculture, where there is a very large percentage of the gross produce appropriated to profit in some form or other; the business can still go on although the profit is reduced. Then I think in another way the landowner suffers in agriculture and that is that practically he only receives the margin of a margin. Say that the margin as between the tenant farmer and himself—that is what they get—is 50 per cent., the landowner only gets a portion of that 50 per cent., say 30 or 25 per cent., then of course, as we all know, many of the landowners are themselves indebted, they have mortgages and other charges to meet and their margin is much smaller and would very easily be swept away by a small reduction of the value of the gross produce.

18,161. What you mean by the margin of a margin I suppose is this, that wages must first be paid and then the profits of the farmer must be paid?—Yes.

18,162. And last of all comes the rent?—Last of all comes the working landowner, who may have mortgage charges and rent-charges and other engagements to meet. I think also it is important to point out that agriculture in this country has not been a progressive industry. I have compared it with railways in which you have the same condition of a large amount of the gross income paid as profit either to debenture or preference shareholders or to ordinary shareholders. The owners of railways have not in fact suffered as the owners of agricultural land have suffered, partly for this reason, I think, that railways have been a progressive business, and the proprietors of railways, therefore, have not gradually become in a worse position, but have been able with some difficulty to maintain their profits. If their business had been non-progressive like that of

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agriculture then they would have suffered as the owners of agricultural land have suffered. These seem to me to be the special circumstances why the suffering in agriculture has been so great from causes which have also affected other businesses where there have certainly not been the same complaints.

Effect of depression on assessments of land.

18,163. I believe you have obtained a return from the Inland Revenue Department showing the effect of the depression on the assessments on land?—Yes, the return was not obtained specially for that purpose, but it was obtained specially to compare the rental of England as it was just after the tithe settlement of 1836, or as soon as we could get a figure for it, and the rental of England at the time the return was obtained, that was about 1888–89. I thought with reference to some evidence which has been put before the Commission that it would be very interesting to give the facts which appear in this return. I refer to the evidence of some witnesses which was to the effect that in spite of a large expenditure upon their agricultural properties during the last 40 or 50 years, the rent they are receiving at the present time is no more than the rent they were receiving at the time when they began. I put in Table XIII. a summary of this return, which shows that while Schedule B. in 1842–43 gave a total assessment of 42,127,000*l.*, the amount in 1888–89 was 42,342,000*l.*, showing substantially no increase of rental in 50 years, notwithstanding the large capital expenditure in the interval. I think these figures quite confirm the evidence which has been given us by some of the witnesses. (*See* Appendix , Table XIII.)

18,164. In the interval between 1842–43 and 1888–89 the rent of land had at one time risen considerably, had it not?—I think as compared with the present time the rental was at one time 25 per cent. more than it is now—that is to say, about 50 or 51 millions.

18,165. In the case of England alone the assessments are now brought down rather below the point at which they were, are they not?—In the case of England alone the assessments have been brought down from 39,589,000*l.* to 39,238,000*l.*

18,166. Whereas in the case of Wales there is an increase?—In the case of Wales there is a sensible increase in every county, and the increase in all, I think, is from 2,538,000*l.* to 3,103,000*l.* Of course the statement for 1888–89 is now a little out of date, and I am quite sure that if we had the figures for the very latest date there would be a positive reduction of rental as compared with the period 1842–43.

18,167. In the case of Essex and Suffolk the reduction is to a point considerably below 1842, I think?—In Suffolk the reduction appears to be from 1,216,000*l.* to 1,054,000*l.* I think in Essex the change is not quite so great, because of the difficulty of separating the urban parts of the county from the purely agricultural parts.

18,168. (*Mr. Everett.*) You have tried in these tables to keep that separation I suppose?—We took Schedule B., but even with that proceeding I am not quite sure that we show the true effect upon agricultural land exclusively, because there must be a good deal of Schedule B. which is occupation land or which is land connected with villas and things of that kind which make it very difficult to follow.

18,169. (*Chairman.*) I see, for instance that in Surrey where the assessments were 476,000*l.* in 1842, they are now 549,000*l.*, nearly 100,000*l.* increase?—Yes.

18,170. That would be purely due to villa land, I suppose?—I believe so; but there are great difficulties in following it out minutely. Of course, those who are interested in it, if they went over it parish by parish, and looked into the return, would probably be able to make very interesting observations, because then you could know when you were dealing with purely agricultural districts.

18,171. At the same time the value of house property has, I see, enormously increased?—The increase in house property is very remarkable indeed, being from 35½ millions to 120½ millions all over England and Wales.

Present prices of agricultural produce compared with 1842-3.

18,172. Do you know how the present prices of agricultural produce compare with what they were in 1842–43?—I think we may take it that apart from cereals the prices are rather more now than they were then, but what the general effect upon agricultural production would be it would be rather difficult to state. My impression is that, on the whole, it would be found that prices on the average are a little more.

18,173. What are your anticipations with regard to the future. Do you expect that there will be a further fall of prices or no?—My impression is that if you look at the subject in the same way that I was induced to look at it in 1872 you will come to the conclusion that we are just about to see, in all probability, a turn of prices in the opposite direction to what we have had. How far it may go on is, of course, uncertain, and one must be careful not to prophecy at all in these matters, but merely to state the grounds upon which it seems tolerably safe to form a certain conclusion, or to draw a certain inference, without putting oneself exactly in the position of a prophet, and saying that you know this and you know that about the future. The broad grounds upon which I found this opinion are, first that in recent years there has been a general increase in the production of gold, much of it under very favourable conditions.

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Increased production of gold and its effect on prices.

Extraordinary demands for gold.

18,174. (*Mr. Everett.*) What do you mean by favourable conditions?—That the gold seems to be easily extracted, and that it seems to be a very profitable industry to obtain it; I speak especially of the production of gold in South Africa. On the other side the extraordinary demands for gold which were to be foreseen in 1872, and which actually occurred, and other extraordinary demands which have since arisen, appear for the moment to be satisfied.

18,175. (*Chairman.*) What are the extraordinary demands to which you allude?—The demands for Germany and for the United States were the demands that were especially in view in 1872, and for some years afterwards. These were quite certain to come Amongst other extraordinary demands which have since arisen, and which have been satisfied, are the demands for Russia in particular, which has accumulated a very large sum of gold.

Austria's demand for gold.

18,176. (*Mr. Chaplin.*) Do you consider that the demand for Austria is satisfied?—I do not think that the demand for Austria is so serious a demand, and I think that, to a considerable extent it has been satisfied. I do not think that the demand for Austria was ever likely to be so serious as the demand for Germany or the United States.

18,177. Do you know what the demand was?—I think it was between 30 and 40 millions sterling, if I remember rightly.

18,178. Are you sure it was not a great deal more than that?—No; I could not say for certain because I have not gone into the question what the demand for Austria was likely to be.

18,179. (*Viscount Cobham.*) Was that for currency purposes or for war purposes?—For currency purposes, nominally, possibly for war purposes in reality.

18,180. What about Russia?—In Russia it was for war purposes, I think; there was no pretence of currency in that case.

18,181. (*Mr. Chaplin.*) As regards Austria, you would not be prepared to say that, in your opinion, the demand there is satisfied?—I could not say that the demand there is satisfied; but I speak of the demands generally as being more or less satisfied.

18,182. With regard to the demand for India, is that satisfied or is that only just beginning?—I have not mentioned the demand for India as one of the extraordinary demands, because I think that has been more or less a chronic demand extending over many years.

18,183. (*Mr. Everett.*) Would you mind informing the Commission what was, in round numbers, the extent of the extraordinary demands in Germany, the northern countries of Europe, the United States, Italy, and Austro-Hungary?—When I gave evidence before the Royal Commission in 1887, I put it at the round figure of 200 millions sterling, but that did not include Austria-Hungary which was not then moving.

18,184. (*Mr. Channing.*) The whole of them?—The whole of them.

Italy's demand for gold.

18,185. (*Mr. Everett.*) Did that include Italy?—That included Italy; I mentioned Italy specially. I may say with regard to Italy that the nominal demand that was talked of when the Italians issued the loan for the purposes of their currency was about 16 millions sterling, but as far as one can judge Italy has never been able to keep that sum, even if it took it, and Italy has not been responsible in any way for taking any gold out of the common markets of the world during the last 15 or 16 years. That is on the face of the figures. I put the extraordinary demands of that time—about 15

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or 16 years ago, when one was writing about it—as about 200 millions sterling, and I think as a matter of fact, apart from these military demands, from Russia and other countries in recent years, that that was about the figure at that time. That did not include India, because India was a case of a chronic demand.

18,186. Nor Austro-Hungary?—The demand for Austria had not then emerged, and was not then a demand that was in prospect.

Demand for gold in India and Russia.

18,187. (*Mr. Channing.*) What do you put the extraordinary demand for Russia and India at, in addition to the 200 millions?—The demand for Russia has been an extraordinary demand, but I do not think we can call the demand for India extraordinary, because it has been going on for the last 50 years or more. When I wrote in 1872 I found that the demand for India then had been about four millions sterling, and I think since that it may be put at about two-and-a-half millions sterling per annum.

18,188. (*Chairman.*) Is that an ordinary or an extraordinary demand?—I think it is an ordinary demand as far as India is concerned, that is to say, it is not an artificial demand in any way, but a demand by the people of India for the purposes of hoarding, which goes on with tolerable regularity from year to year.

18,189. (*Mr. Chaplin.*) Does not the adoption of the policy quite recently to endeavour to establish a gold standard in India point to an enormous extraordinary demand for gold for that country in the future?—I think it is quite premature to say that, until we see what steps are to be taken to bring about the gold standard in India. As far as things have gone at present, I do not think any demand of that kind has emerged yet.

18,190. (*Chairman.*) Then I gather from you that in your opinion the appreciation of gold during the last few years was largely due to the extraordinary demands?—To these extraordinary demands that I have referred to.

18,191. Either for war purposes or for restoring their gold currency?—The demands which I spoke of 15 or 16 years ago when I was writing—or 20 or 22 years ago—were demands chiefly for monetary purposes as far as one can judge, but during the last few years there have also been demands which do not appear to be demands for monetary use so much as military demands. At the present moment none of these demands seem to be very effective or very threatening, except the one thing which Mr. Chaplin has just mentioned, the demand for Austria, which I should be inclined to put to some extent in the category of the demand for Italy, which eventually came to nothing or came to very little.

18,192. It might have the same result?—It might have the same result as the demand for Italy.

18,193. Then looking to the immediate future would you say that as these extraordinary demands have ceased or are confined at all events to one country, and as the production of gold has largely increased of late years, you look forward with some confidence to the cessation of the movement, and possibly even a retrocession in the direction of the lower price of gold?—That is the idea; that the circumstances are different from what they were in 1872 when we were confronted by the fact of a steady diminution of the annual production of gold on the one side and various extraordinary demands for the use of gold on the other side.

Russia's accumulation of gold.

18,194. (*Mr. Chaplin.*) Will you please say how much gold Russia accumulated?—About 70 millions in the last 10 or 15 years.

Supply of gold from South Africa.

18,195. In satisfaction of her extraordinary demand?—I think that is about the amount that Russia has taken. Before we pass from this point I should like to mention the figures which I have before me as to the annual production of gold. They can be very simply stated. Of the annual production of about 20 millions of gold, which we used to consider about the normal figure 20 years ago or so, about six to six-and-a-half millions were contributed by the United States, about an equal amount was contributed by Australia and about four-and-a-half millions were contributed by Russia. There were smaller amounts coming from other parts of the world, not only from America, but to some extent from Europe and from China; very miscellaneous countries indeed contributed a certain amount. But these three localities, the United States, Australia and Russia contributed very nearly the whole of the 20 millions of annual production. The new factor within the last few years is that South Africa has already become a contributor of about five millions sterling, having contributed nothing at all six or seven years ago. According to the information I have from the city it is anticipated that South Africa will become in a very short time a still more important contributor. How long it will last in that capacity is uncertain, but some of the most expert people in the city have very strong opinions indeed as to the amount which South Africa is likely to contribute and likely to contribute with ease. This is quite apart I may mention from the last discovery in Australia, about which there is also a good deal of agitation, that is to say, the discovery in Western Australia.

18,196. (*Viscount Cobham.*) Are the figures from India considerable?—There is a certain amount from India, but that has been going on now for a good many years. Off and on we have had either something or the promise of something from India, and I am not aware that the promise of this particular moment is so exuberant as to be brought into comparison with what is actually coming and what is promised from South Africa.

Annual production of gold.

18,197. (*Chairman.*) What do you put the total amount now at?—The total amount now according to the last report of the Director of the Mint in America is close upon 28 millions sterling.

18,198. I suppose you would say that the addition of the 28 millions, and the fact of these extraordinary demands being satisfied for the moment would tend to show that there will be much less pressure in the future?—I think that seems to be the fair inference—that the pressure cannot be in the immediate future anything like what it was over that period, 1872 to 1887, which I have referred to. It seems to me that those figures which I gave as to the great influx of gold into this country during the last six years—as London is really the monetary centre of the world—seem to point to the same conclusion that the pressure is being eased off to some extent, and that gold is less in demand than it was.

18,199. (*Mr. Chaplin.*) The annual total addition that you anticipate now is 28 millions is it?—The annual production is 28 millions, but of course a very large part of that is used up at once, partly in the arts, and possibly in other ways—like the demand for India.

18,200. What I want to arrive at is this, the total annual output, as we will call it, you calculate will be 28 millions at the present time?—That is the last annual figure; I think in reality that it is going to be a little more, perhaps.

18,201. That would be an addition of how much to what we have been receiving during the last 20 years, say?—I think you may call it an addition of rather more than 25 per cent., between 25 per cent. and 30 per cent. I find that the average of the last 20 years comes to about 22 millions sterling.

18,202. So it is upon this additional six millions a year that you rely to a certain extent, in conjunction with other things, to restore the balance?—Six millions a year, with the prospect of increase.

18,203. (*Chairman.*) Your estimate, I presume, is subject to the unknown quantity of what the demand may be for India?—The demand for India has been comparatively steady, I think. Up to 1872 it came to about four millions sterling per annum for a great many years before that and since then it has been about 2½ or from 2½ to 3 millions sterling. It does not seem to be a demand which varies very greatly from year to year.

Consumption of gold in Africa.

18,204. (*Mr. Everett.*) Have you any means of knowing what gold goes into use in Africa where the new supply comes from; I remember reading two or three years ago that the consumption of gold there was more than the supply?—That was quite true. At first when the South African Gold Colonies were being formed, as it were, the effect was instead of bringing gold to this country rather to take gold from this country. The same thing I may say happened as far as one can tell in Australia in the early fifties and in California in the early fifties. But that is only a momentary and transitory effect and immediately when the gold mines come to work there is an efflux of gold from those places.

18,205. Have you at all a near idea of what the annual consumption of gold in the world is for the Arts?

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—I was always very sceptical about the consumption in the arts myself and threw out sceptical remarks at different times, but in 1887 when I gave evidence before the Gold and Silver Commission and looked into it a little carefully I was satisfied—quite satisfied—that the figure which Soetbeer gave—the great German authority—of about 13 millions sterling at that time as being consumed in the Arts in different countries was approximately correct and that he had gone into the evidence and taken actual evidence as to what was being done in England, in the United States, in France and in Germany which were the chief countries concerned. With regard to England, I may say that within the last few years I have been in communication with people whose evidence was laid before the Royal Commission in 1887 as to the consumption in the arts in England and I am quite satisfied of the correctness of the figure of about two millions sterling which was then given.

Annual consumption of gold for the Arts.

Currency and the fallen prices.

18,206. (*Chairman*). Having regard to all these facts are you opposed to any change in the standard of money?—I think with reference to some suggestions which have been made before this Commisssion—suggestions for an increase of the issue of the currency generally—that I should like to express my strong opinion that nothing which has happened in the fall of prices points to the necessity or the expediency of any change in our standard money; that that is a measure, in my opinion, which is one of the most serious in which a community like that of England can engage; that we have a money which is not only adapted to our own home requirements, but which is the basis of a very widely extended commerce, and upon which engagements and arrangements of every sort have been entered into; and that it would be very inexpedient indeed, as the result of any fall of prices which has taken place, and which is quite a thing which may be expected whatever standard money you have, that we should now begin to consider the question of a change in our standard money. The only thing I can suggest in these matters is that it is important to promote the full understanding of such movements as a general fall of prices, so that they can either be anticipated or prepared for by prudential precautions against something that cannot be anticipated.

Currency and perpetual obligations.

18,207. Then with regard to the obligations extending over a long period?—Some of the suggestions for a change in the standard money appear to have arisen because it is thought that the money which we have should not only be excellent for the primary purpose of an intermediary in transactions from day to day, which was the object with which money was spontaneously introduced, but that if possible you should have some form of money which would be suitable for engagements over a long period. Against any suggestion of that kind I should like to take the objection that it is not possible to find or invent any money by which engagements over a long period can be provided for, and in fact that there is no method by which beforehand you can provide automatically for the equitable fulfilment of such obligations.

18,208. The attempt has to a large extent failed even in the case of the tithe has it not?—In the case of the tithe, with regard to which I made a special inquiry some years ago, I think the attempt has failed. It was thought by fixing a produce rent, according to which the tithe was to fluctuate according to prices, you had got over all the difficulties in connexion with such a permanent charge as that. When I looked back to the discussions before 1836 I found that people were quite confident that by fixing a produce rent of that kind all questions of tithe becoming too burdensome upon agriculture, or disagreeably burdensome, were got over. The point was even put that a repeal of the Corn Acts was probably impending, and after that it was asked what the price of agricultural produce would be, to which the reply was given that that need not matter, because by providing that the tithe should fluctuate according to the prices of agricultural produce you had sufficiently provided for that difficulty. As a matter of fact it has been found by experience that the tithe, when settled in produce, in certain circumstances, becomes a much larger proportion of the rent of land than it was intended to be. For instance, suppose you had a rent of 50*l.* and a tithe of 5*l.*—10 per cent. of the rent—you assume that with a fall of 20 per cent. in the prices the tithe would fall in proportion to the rent, but that is not so, because a fall of 20 per cent. in prices may involve a fall of 40 or 50 per cent. in the rent, so that the rent instead of being 50*l.* becomes, say, 25*l.*, and the tithe fluctuating according to the prices of produce becomes 4*l.* instead of 5*l.*, but the 4*l.* in proportion to the 25*l.* is a much larger proportion than the 5*l.* in proportion to the 50*l.* So that this plan of fixing a permanent charge according to the fluctuations in the prices of produce has not answered and has not been successful, and I do not think that there is any possibility of any plan by which such permanent charges can be adjusted. When I wrote the paper in 1888, I suggested that this matter was so important that it should be looked into further. I thought then, and I think still, that in some respects changes in the permanent charges could be mitigated in some way by the application of processes of that kind. But I am also satisfied now that there is no perfect automatic process of any kind which you can suggest beforehand which will meet all the changes that are likely to happen with reference to a permanent charge.

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18,209. Do you go the length of saying that there is no satisfactory form of perpetual obligation?—I think so. I have looked into all the different forms that were suggested in 1836. Money was suggested; a particular commodity such as wheat was suggested; a group of commodities such as wheat, barley and oats, the method actually adopted, was suggested; a larger group of commodities, and finally a rating charge on the rental, were suggested. I am satisfied, whichever of these plans had been adopted in 1836, none of them would have been quite satisfactory working automatically as a permanent charge.

18,210. (*Mr. Chaplin.*) That is to say, no monetary system would work perfectly in that respect, but I suppose you admit that one monetary system may work better than another?—I am not quite sure. I think the difficulty as regards money is partly explained by what I have been saying about commodities and wages—that if you fix it in one way it answers, but then it will not answer the other way. Suppose you fix it in money; then if the purchasing power of money increases it is a very good thing for the people who have to receive the money, and may answer the purpose for which the permanent charge was created, but it may be a very bad thing for the people who have to pay the money. On the other hand, if the purchasing powers of money diminishes it is bad for the receiver if good for the payer. And the purchasing power may increase or diminish differently with reference to commodities from what it does with reference to labour.

Mortgages not a permanent charge.

18,211. (*Chairman.*) Mortgages are not in their essence permanent charges, are they?—Not in that way. I think the idea of looking upon a mortgage as a permanent charge is a wrong one, and that it ought really to be considered a charge which is subject to the modification of both the parties to the contract.

18,212. As a matter of fact, the landowners have derived some benefit from the reduction of the rate of interest upon mortgages?—That would be so, but I think it still more important that perhaps landowners have not been quite wide awake to the effect of giving mortgages extending over long periods, and they have had a lesson—no doubt a very severe lesson—which ought to be remembered. I think it is really one of the lessons of the period through which we have gone.

Rating charge on rental for tithe.

18,213. (*Mr. Lambert.*) Why in the case of tithe should there not be a rating charge on the rental? I should have thought that would have been fair?—But then the tithe might not answer the object for which the tithe was granted. You wish to create a certain endowment for a certain purpose, and if you make a rating charge upon the rental, and the rental diminishes enormously, the endowment is insufficient for the purpose for which it was created.

18,214. Then as regards the incidence upon the land itself——?—But you must look upon the thing from both sides. I might say that when I was investigating the question I was rather looking upon it from the side of the man who was to receive the tithe.

Reduction of interest on mortgages.

18,215. (*Chairman.*) As a matter of fact, has there been during the last few years a general reduction in the rate of interest on mortgages?—That is so. There has been a reduction in the rate of interest generally, and I have no doubt upon mortgages on good security in particular; I should say a reduction equal almost to from 5 to 3½ per cent., or something like that.

18,216. (*Mr. Chaplin.*) What evidence is there of that?—I speak of the evidence of insurance companies very much; what they have had to receive upon their

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insurance funds. If you look at the insurance companies' accounts, you find that they have had to submit to a very considerable reduction of interest upon the average upon their insurance funds during the last 20 years.

18,217. Upon their mortgages upon land?—And other securities—everything; I do not say mortgages in particular.

18,218. (*Chairman.*) I should have said, especially mortgages on land; there has been very much greater difficulty in getting 4 per cent., or even less than that, than there used to be, has there not?—I forget the figures at this moment, but at one time when I was writing on the subject I had some figures from the great insurance companies of Edinburgh, particularly as to their mortgages, and they showed a very considerable reduction indeed. That was about 10 years ago.

18,219. Of course we all know that the holders of Consols have had to submit to considerable reduction?—They have had to submit to considerable reduction.

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Interest on consols.

18,220. What is the per-centage of the reduction there, including that which is to come within a short period?—In my own time I remember Consols at 3 per cent. standing at about 90—that was about the normal price 20 years ago or so; now you have Consols at 2¾ with an eventual reduction of 2½ at par. I think the difference between the two things is fully half per cent., on about 3 per cent.

18,221. (*Mr. Chaplin.*) With regard to what you say as to the rate of interest on money lent by insurance offices having fallen upon land, is it not the case that various insurance offices have now passed regulations that they will not invest money upon land at all?—I was not aware of that. I was not speaking of the reduction of interest to insurance companies upon mortgages on land in particular; I was speaking of the reduction of interest on the investment of their insurance fund altogether, which would include securities as well as mortgages.

Adjourned till to-morrow at 12 o'clock.

Thirty-third Day.

Friday, 27th April 1894.

PRESENT:

THE RIGHT HON. GEORGE JOHN SHAW-LEFEVRE, M.P., IN THE CHAIR.

Viscount COBHAM.
The Right Hon. HENRY CHAPLIN, M.P.
Sir ROBERT NIGEL FITZHARDINGE KINGSCOTE, K.C.B.
ROBERT GIFFEN, Esq., C.B.
CHARLES ISAAC ELTON, Esq., Q.C.
Captain OWEN THOMAS.
FRANCIS ALLSTON CHANNING, Esq., M.P.
JOHN CLAY, Esq.
CORNELIUS NEALE DALTON, Esq., C.B.
ROBERT LACY EVERETT, Esq., M.P.
JOHN GILMOUR, Esq.
GEORGE LAMBERT, Esq., M.P.
WILLIAM CUTLACK LITTLE, Esq.
WALTER HUME LONG, Esq., M.P.
CHARLES WHITEHEAD, Esq., F.L.S.

HERBERT LYON, Esq., *Secretary.*
R. T. CRAWFORD, Esq., } *Assistant*
FREEMAN THOMAS, Esq., } *Secretaries.*

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Mr. ROBERT GIFFEN, C.B. (a member of the Commission), further examined.

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18,222. (*Chairman.*) Is there anything that you wish to be examined on in chief in addition to what you said yesterday?—There is one point I wish to mention, as I think it may be useful to give the figures at this stage. I was examined on the point before the Royal Commission on Gold and Silver, in 1887, and it was not a controversial point at all, but it was considered desirable that the figures should be stated. It is with reference to the actual consumption of silver during the last 20 years, that is, since 1873, as compared with the period before that. The point which I put then, and which I wish to continue now, is this, that after 1873, as a matter of fact, the consumption of silver in the civilised countries of Europe, and the United States, and in India, increased, and did not diminish as compared with the period just before that. With regard to the United States the consumption of silver arose especially in consequence of the Bland Act, as it was called, which was passed in 1878, and in consequence of the Silver Act of 1890, which was only abolished last year. In consequence of those two Acts (the first of them providing for a coinage of close upon five millions sterling per annum as the minimum, and the second providing for the purchase of silver against which paper was issued of between ten and eleven millions per annum), and in consequence also of the coinage of some token silver, the United States have now, in round figures, close upon a hundred millions sterling of silver—not a hundred millions sterling worth at present prices, but a hundred millions sterling, there or thereabouts, at the prices at which the silver was coined, or at which it was purchased at different times. This compares with the state of things prior to 1873, in which for many years the United States was not a consumer of silver for monetary purposes at all. The United States, after the outbreak of civil war in 1860, became a country of inconvertible paper, and practically there was no consumption of either gold or silver for coinage purposes in the United States for many years prior to the Act of 1878. Then the figures as regards France are as follows. Between 1860 and 1873 the excess of the imports of silver into France over the exports was 1,791,000 kilogrammes—I am giving the figures in quantities to avoid any questions of valuation. Then in the period 1874–92 inclusive, the excess of the imports of silver into France over the exports was 7,309,000 kilogrammes, so that the annual excess of imports of silver into France in the first period—from 1860 to 1873—was 128,000 kilogrammes, and in the second period it was 385,000 kilogrammes, showing a great increase of the excess of the imports of silver into France in the second period over the first.

Consumption of silver since 1873.

18,223. (*Mr. Chaplin.*) There was a large excess in the second period?—Yes; that is to say, after the year 1873.

18,224. What was done with it?—A large part of it seems to have gone into the Bank of France against which notes have been issued, but of course there is a

Consumption of silver in France.

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certain consumption of silver for the arts, in France, and possibly to some extent there may be a larger circulation of silver in the hands of the people, although I do not think so; as to the increase in the Bank of France I am quite certain.

18,225. Has any of it been coined?—Some of it has been coined.

18,226. Since 1874?—Since 1874, but what the particular dates of the coinage are I could not say. Then of course there is a certain amount of token silver in France, independent of the full legal tender silver.

18,227. (*Chairman.*) What does it represent in value?—At the present price of silver it may be taken at about 4*d.* the kilogramme, I think.

18,228. (*Mr. Chaplin.*) What would that represent altogether?—From 1874 to 1892, that would be from twenty-eight to thirty millions sterling, but of course there is a large part of that which would be in five franc pieces, and the nominal value therefore would be much greater.

18,229. What proportion of the twenty-eight to thirty millions sterling has been coined?—That I could not say.

18,230. (*Chairman.*) From 1874 to 1892 it would represent a much larger sum?—From 1874 to 1892 the amount is much larger annually than in the period from 1860–73.

18,231. (*Mr. Chaplin.*) In which period is the twenty-eight to thirty millions sterling—I did not quite follow?—From 1874 to 1892.

18,232. What proportion of this has been lodged in the Bank of France, and notes issued against it?—The Bank of France has, I believe, between fifty and sixty millions sterling of silver. What the increase has been exactly since 1874 I could not say, but a great part of it is, I think, since 1874.

18,233. You cannot say what proportion of this excess of import since 1874 has either been coined, or has any currency through notes?—I could not; I do not think it would be possible to say that very well. But I have not gone into that question at all.

18,234. (*Chairman.*) Then both France and the United States appear to have encumbered themselves with vast masses of silver?—They have taken much more silver since 1874 than they did in the period just before that.

18,235. And I suppose that mass of silver is not available for International exchange?—It is used in a certain way in the internal economy of both states. I believe, strictly speaking, it is wasted in both states, and might be very largely dispensed with without anything particular happening. But that is a monetary problem of some complexity which would take us a long way if we went into it. Then with regard to India, between 1860 and 1873 the excess of the imports of silver over the exports was 1,076 millions of rupees, and in 1874–92 the excess of the imports of silver over the exports was 1,545 millions of rupees. The annual excess in the period 1860–73 was 77 millions of rupees, and in the period 1874–92 it was 81 millions of rupees; so that India has been a larger consumer of silver since 1874 than it was in the period just before that, notwithstanding the very large exports of silver to India which took place in the Sixties, in consequence of the cotton famine.

Consumption of silver in India.

18,236. (*Mr. Chaplin.*) Of these imports can you say again what proportion has been coined in the two periods?—It is well known that the greater part of the silver which has gone to India has been coined, but I did not think for this purpose that it was worth while going into figures of that kind. I was merely stating in a general way what the absorption of silver had been in the different countries.

18,237. When you say it is well known that the greater part of it has been coined, what do you mean?—The publications of India show that.

18,238. Are you aware of the publication of a memorandum of the India Office, laid before Lord Herschel's Committee, which showed that there was an enormous preponderance supposed to be hoarded?—But hoarded after being coined, I believe.

18,239. No, not coined, but in uncoined silver; are you aware of that document?—Yes. I am not at all disputing the fact of your statement that there is a vast amount of hoarded silver uncoined, and coined as well; but of late years there is no doubt a comparatively close correspondence between the imports of silver into India and the coinage in India. To go on with the point I was taking, no other countries are so important in the matter as those which have been mentioned, and in some of the cases I have not been able to go back so far. In Italy I find that the excess of the imports of silver since 1878 (I cannot go back further than that) has been 357,000 kilogrammes; in Austria-Hungary, again, I find that the excess of the imports of silver since 1874 has been 355,000 kilogrammes; but in the 14 years ending 1873—1860–73—Austria-Hungary exported no less than 998,000 kilogrammes; so that it has been taking silver since 1874, whereas in the years immediately before that it was sending away silver. Germany is the one exception to the increase in the consumption of silver in the different countries that have been stated. The figure that I have got here, as the excess of the exports of silver from Germany over the imports between 1874 and 1892, is two million kilogrammes, but that would not include the silver which Germany sent away at the first beginning of the business, that is to say, in the years 1871 and 1872 and 1873 themselves.

Consumption of silver in Italy and Austro-Hungary.

Consumption of silver in Germany.

18,240. What again is that?—I think Germany parted altogether with about 26 millions sterling of silver in consequence of its change of money in 1872 and 1873.

18,241. 26 million kilogrammes?—26 millions sterling.

18,242. It is rather difficult to follow as we have other calculations in kilogrammes?—The two million kilogrammes depend of course on the value of silver, at recent values it would be about 8 millions sterling, but at former values it would be about 16 millions sterling, or nearly 16 millions sterling.

18,243. What would that represent at the old value?—I said 16 just now, but I think from 12 to 16 millions sterling.

18,244. (*Chairman.*) What deduction do you draw from these facts?—Merely this, that as a matter of fact in spite of monetary changes which have taken place in different countries, and which are often spoken of as the demonetisation of silver, yet the consumption of silver in those very countries has increased very much in the same period and has been very large. I should like in connexion with this, for the convenience of the Commission, to read a statement by Professor Lexis, who is an authority upon these matters. A statement of his is quoted in the last report of the director of the American Mint. He makes a comparatively long statement, but it will not take very long to read it. He says:

Professor Lexis on the consumption of silver.

"Undoubtedly the suspension of the coinage of silver "in several of the most important civilized states, "together with the German and Scandinavian sales, "contributed materially to the depression of the price of "that metal. It would not, however, have lost much of "its former value if its annual production had continued "at the same figure as at the beginning of the fifth "decade of this century. It still found in India and "China so great an outlet as a money metal that an "overloading of the European market with it could not, "on the supposition just made, have taken place. "During no former period has so much silver been "employed, even approximately, every year, in coinage, "or used in some other way (especially as a deposit "against paper money) for monetary purposes, as there "has been in the present. Leaving Mexico and the "South American States entirely out of consideration, "there were coined in Europe, the United States, and "India, in the years 1851 to 1860, an annual average "(at the old ratio) of $38,794,000. During the "decade 1861–1870 when the production of silver in "the West of the United States began to be developed "and when the cotton famine enormously increased "the payments due to India on account of international "trade, this annual average coinage amounted to "$80,020,000. But even this figure, which up to that "period had never been reached, is exceeded by the "average amount of coinage (Mexico and South America "not included) in the years 1887 to 1891, when the price "of silver had fallen as low as 43¼*d.* in London. The "average coinage of those years amounted to no less "than $113,000,000 (at the old ratio of value), and this "sum does not include the storage of silver bullion by "the United States. The known aggregate coinage "of silver during the sixteen years 1876-1891—that "is, during the period of the greatest depreciation "of the metal—amounted to $2,110,560,000. From "this we must deduct $71,000,000, which were re-"coined from old coins into German and Scandinavian "divisional coins, but this amount is off-set by the

"monetary silver bullion stock of the United States "created under the law of July 14, 1890. Moreover, "this sum embraces about $950,000,000 of Mexican "piastres, one half of which may have served as coinage "materials. The remainder went to China, or may "be considered the equivalent of the bar silver exported "to China, and which serves monetary purposes. The "net silver coinages, therefore, of this metal would "have to be put at, at least, $1,560,000,000. On the "other hand, the production of silver during the "same period, according to Soetbeer, amounted to "$2,109,394,000. Thus the net coinage was fully 74 "per cent. of the production, while the gross amount "of coinage shows that a quantity of silver as large "or even larger than that of the silver newly produced "passed through the mints. The coinage of silver, it "is true, has been suspended in France. It can no "longer be turned, for the convenience of holders, into "5-franc pieces, but in lieu thereof, it has found a "place in the currency of the United States to the "amount annually of $70,000,000—a sum six times "as great as the average annual coinage of France "during the time of silver's supremacy." The director of the mint puts a note here—"Prof. Lexis' estimate of "the net coinage of silver during the years 1876–1891 is "probably too large. He does not make sufficient "allowance for recoinages during that period. This, "however, does not materially impair the validity of his "argument." Then to go on with Professor Lexis again—"The heavy sales of silver by Germany ceased "14 years ago. The past coinages of the States that "stamped 5-franc silver pieces have been more than "counter-balanced by the coinages and storage of "silver by the United States. And still another cause "of the depreciation which the English Silver Com-"mission of 1876 called attention to, viz., the decrease "of the silver exports to India has not been operative "of late years. These facts make it evident that the "great cause of the depreciation of silver of late years "has been its increased production."

18,245. (*Mr. Whitehead.*) What would the dollar represent—about 4*s.*?—4*s.* 1½*d.*; but it is convenient always to call it 4*s.* if you are working these sums.

18,246. (*Chairman.*) I suppose there might have been even an increased demand for silver if it had not been for the monetary operations of the principal Powers in Europe?—That is, no doubt, a question for discussion, whether if the laws had actually been different the demand for silver would not have been still greater than it has been. But as far as the facts are actually concerned these facts are that the consumption of silver, notwithstanding that suspension of free coinage, of legal tender silver in France, has undoubtedly been much greater since 1874, than it was before that period.

The appreciation of gold.

18,247. I suppose you would conclude that the depreciation of the prices of produce has been due not to any action of silver but to the scarcity of gold? I do not think that the question of silver affects the matter very much at all. That is my own opinion, but in giving these facts I have been trying to do it so as to avoid any controversy of any kind and merely to bring out the facts.

18,248. But you admit that there has been an appreciation of gold of late years due to further demands upon gold?—An appreciation of gold as compared with the period just before 1873: it is purely a relative question, and I do not think that it should be spoken of absolutely in the way that is often done.

18,249. Is there anything else you wish to put before the Commission in your examination-in-chief?—No; that is all I wish to put before the Commission now.

Rents in 1842 and 1889 compared.

18,250. (*Mr. Chaplin.*) In your principal evidence you put in a table, No. XIII. (*see* Appendix , Table XIII.), in which you showed that rent was substantially the same in 1889 as it was in 1842?—That appears to be the effect of the table—the rent of land you mean?

18,251. Yes?—The figures are those of Schedule B.

18,252. Of course the fall has been much greater since then; are you able to put before the Commission any view of what it would be in 1894, the present year?—I should not like to put it in that way, because I think that is partly one of the things which we shall have to consider as a Commission from all the evidence that we have, and I am not prepared to express an opinion apart from that evidence, which is not quite concluded.

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18,253. 1842, I think, was before the great gold discoveries, was it not?—It was intermediate. There really had been discoveries of gold in Siberia, to which very great importance was attached at the time; relatively to the production of gold before that they were very important. But the Australian and Californian gold discoveries, of course, came some years later.

18,254. It was prior to what are generally known as the great gold discoveries in Australia and California?—That is so.

18,255. It was at a time, I think, when agriculture had not then fully recovered from the great depression which had existed earlier in the century?—I do not think I could quite express an opinion upon that point. I think agriculture had had several ups and downs between the earlier part of the century and 1842–1843

18,256. It is notorious, I think, that in the early part of the century agricultural distress was very extreme?—There were frequent complaints at different times, and many inquiries; that one does know.

18,257. Have you ever formed any estimate as to what was the cause of the depression at that time?—I have never gone into the question except in the most general way, but I should say that if you were to have a period of inflation, like what occurred at the beginning of the century, you would be likely to have a very long period of reaction afterwards.

18,258. That is the only view that you have formed of it?—I think that covers a great deal of ground. To some extent, I should say, the depression of the present time is due to the reaction from a long period of inflation which came to an end about 1874.

Rise in rents from 1842 to 1879.

18,259. Then after 1842—some years after that—there was a change in the position, and there began a rise of rents which, I think, was progressive for several years, was it not?—I could not say exactly when the rise of rents specially began, but I do not think the rise of rents was conspicuous—or very conspicuous—until about 1860, I should think. Perhaps you may have better information than I have.

18,260. Can you tell us when it reached its maximum?—It reached its maximum, as far as the Income Tax assessments go, about 1875 to 1879.

18,261. What was the maximum at that time?—I think the maximum of Schedule B. for England was about 51 millions sterling.

18,262. And now it has fallen back to ——?—41 millions sterling.

Fall in rents since 1879.

18,263. As estimated in 1888-89?—The figure in the table for England and Wales, I think, is 42,342,000*l.*, but in my notes I refer to a later figure which I find in the Inland Revenue returns. In the year ending the 5th April 1892, you get the figure under Schedule B. of 41,681,000*l.*

18,264. And this fall—from the maximum in 1879 did you say?—It was about that time; you had 51½ millions about that time.

18,265. This fall has reduced rents from the maximum of 1879 to something lower than the level that it was in 1842?—That is no doubt the effect of the figures.

18,266. But how much lower in the present year you are not in a position now to state?—Probably it is somewhat lower, but how much I could not say.

18,267. And this you point out has occurred in spite of the very large capital, which during all those years has been expended upon the land?—It appears from a great variety of evidence that the industry is one in which there has been a continuous expenditure of capital.

18,268. Are there any means of arriving at what the amount of that expenditure has been?—Whether we shall have some means before our proceedings are at an end, I am not sure. The difficulty is that we can very easily get special cases, but how far we can make up an average for the whole country from them, of course is a very difficult matter.

Proportion of rent to outlay of capital expenditure.

18,269. You are not in a position to give us any figures yourself which would enable us to arrive at a calculation as to what proportion the present diminished rent bears to the outlay which has been made of capital expenditure during these years?—No; it must take some gentleman who is acquainted with agriculture specially to do that I should think.

18,270. Would it represent, do you imagine, as much as the ordinary interest that may be expected from an

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investment of capital?—What rate of interest would you say?

18,271. Say 3 per cent.?—At 3 per cent. 40 millions of annual income would represent about 1,300 millions of capital, would it not?

18,272. Did you hear Mr. Pell's evidence which was given the other day?—Yes.

18,273. Mr. Pell, I think, contended that the rents of the present day, in his opinion, represented nothing but the interest on money invested in the land?—1,300 millions of capital divided by 50, the interval that has elapsed, would give you an expenditure of about 26 millions sterling per annum. Whether you have had such an expenditure in England per annum is more a question for agriculturists than for myself to determine; I should doubt if you have had quite so large an expenditure per annum upon improvements and new things in agriculture. That would represent, even at the highest assessment of Schedule B., half the gross rental, and I think that that is rather an excessive estimate.

18,274. If I remember aright, a good deal of the evidence before this Commission would point to the outlay of capital by the landlords as something approximating to that estimate?—I am not able to judge myself; I can only point out what the figures would imply if they were true.

18,275. Are you acquainted with the statements that were made last year in public by Lord Leicester with regard to the outlay upon his estate in Norfolk during the period of his own ownership and that of his father?—No, my attention was not called to those statements.

Fall in rents and general fall in prices and rise in labour.

18,276. You attribute this fall in rents to various causes; to a general fall in prices for one thing, and among others to the fact that, in your opinion, there has been a greatly increased remuneration of labour, I understand?—I do not think that I ascribed it to the general fall of prices; I think that I described it as part of the general fall of prices which was due in some measure to a contraction of gold, but I did not speak of the general fall of prices as the cause of the fall of prices in agriculture. I did refer to the improvement in the real condition of labour as one of the causes operating against rent.

18,277. I think you attributed the decrease in rents partially, at all events, to the fall in the prices of agricultural produce?—Undoubtedly, and that is one of the causes of the diminished money rents.

18,278. As part of the general fall in prices?—Yes.

18,279. Among other things you attribute this decrease in rents to the increased remuneration which is now being received by labour?—Undoubtedly.

Increased remuneration of labour.

18,280. What labour is that that you refer to—labour generally, or agricultural labour in particular?—Of course, as far as rents are concerned, it must be agricultural labour in particular.

18,281. I asked you, I remember, at the time that you made that statement, whether, even supposing you were right as regards the increased remuneration of labour, there had not been a considerable diminution of employment?—Not of employment generally, I think I said.

18,282. You said you saw no signs of pauperism, and there was no evidence that you were aware of, as to a decline of employment?—Employment generally I was speaking of.

18,283. That is the point I wanted to arrive at; in making that statement you did not refer to the agricultural labourers?—Not particularly, because, of course, as we all know, there has been a diminution in the number of agricultural labourers.

18,284. Then as far as the agricultural labourer is concerned this fall in prices has led to a considerable diminution of employment?—I do not think you can say so.

18,285. Does that not follow upon the answer that you gave me just now?—I think that is, perhaps, one of the points we have to discuss as members of this Commission, and I should not like merely to give personal opinions in the way that that would require me to do; but I do not think you can say that the fall in prices has led to the diminution of employment in agriculture altogether.

Diminution in agricultural employment.

18,286. You admit the fact of the diminution in agricultural employment?—Undoubtedly.

18,287. But you hesitate to attribute it to the fall of prices?—I think that it is quite conceivable that you might have had prices much better in agriculture than they have been, and yet the general state of circumstances would have been such that you would have had the same or nearly the same drift of labour from the agricultural districts to the towns as has taken place.

18,288. I am not able to follow that myself. Could you indicate by what means that would have come about?—Because if all prices were to rise equally—if money wages and everything were to rise equally—the relative position of the agricultural labourer would practically be just what it is now.

18,289. Is it not the fact that the diminution of agricultural labour is mainly owing to this other fact that there has been a great decrease in the acreage of arable cultivation?—That is no doubt one of the things.

Connexion between the decrease in arable acreage and fall in prices.

18,290. Would this decrease of the acreage of arable cultivation—I will not say be compatible with—but is there any reason to suppose that it would be followed by an increase of prices?—It might have followed with prices very different from what they are now if the wages of the agricultural labourer—the money wages—had gone up so as to give him the same real improvement in his condition that he has received.

18,291. But surely there is a connexion between the decreased acreage of arable cultivation and the fall in prices; there is a direct connexion, is there not?—But I am saying that the fall of prices must not be looked at by itself; it must be looked at in connexion with the relation between the prices and the wages paid for labour.

18,292. Quite so, but in connexion with whatever aspects you look at it, is there not that connexion between increased acreage and arable cultivation and the fall in prices; has not the one been the direct consequence of the other?—I think not. I should like to add in connexion with this that I remember quite distinctly a great deal of discussion and agitation 20 to 25 years ago about the difficulty of labour in agricultural districts owing to the rise of wages and the difficulty of getting the same amount of work out of the labourer. That was a thing which was operating to keep rents down, or perhaps even to prevent them rising as they would have done. There were undoubtedly discussions of that kind from 1869 down to 1874 and 1875.

18,293. Then do I understand you to mean this—that supposing prices were to remain at their former level there might still have been under circumstances that you can imagine a decrease in the acreage of arable cultivation and consequently a great diminution in the employment of agricultural labourers?—I think that the transformation of agriculture might have been very much the same as it has been with an entirely different scale of prices provided other prices had been adjusted to that scale.

18,294. That transformation that you refer to being a decrease in the acreage of arable cultivation?—Yes, I think so.

18,295. You think that might still have occurred, even if prices had not fallen in the way they have done?—I think that might still have occurred very largely.

Diminution of employment.

18,296. I cannot follow it myself. As regards other labour there you hold that there has been no diminution of employment. I understand?—No diminution taking the field of employment all round.

18,297. If that is so, how do you account for the constant cry of the unemployed which has been so prevalent during the last few years?—All I can say is that it is about 30 years or more since I began to write about these cries. They have always been going on all the time. I think it is very nearly 30 years ago since I heard discussions amongst people who were saying, "What is the good of low prices"—some prices were low at that time—"if you have no money to buy things with?" It is one of the oldest complaints that one hears, this complaint of the unemployed.

18,298. Do you remember a few years ago—seven or eight years ago, I think—that the fact of there being a vast number of unemployed in London led to such a serious state of things that special constables were sworn in for the protection of the interests of the community?—I recollect that perfectly well, and I also recollect many years before that, in 1868, a still more alarming condition of things.

18,299. We will go into both, but we will take the last period first, you recollect quite well that?—Yes, undoubtedly.

18,300. Is that quite compatible with the idea that there has been no diminution of employment?—Quite.

18,301. Perhaps you can explain how?—I do not think that much explanation is required. If one reads the history of these discussions you will find that there have been unemployed and riots from time to time all through the present century, and all one can say is that if you take a period like the last 15 years you will find that on the whole the riot and the disorder have been much less than they were at any time before.

Improvement in position of tenant farmers in last 20 years.

18,302. In addition to the increased remuneration of labour accounting to some extent for the fall in rent, you said possibly also the remuneration of the tenant farmer helped to account for it; do you mean to say that the position of the tenant is improved during these last few years, and that his remuneration is greater now than it was before?—I should say that in the last 20 years in some parts of the country the remuneration of the tenant farmer has increased; his scale of living has improved.

18,303. But if you think the remuneration of the farmer during these last few years has increased, do you disbelieve all the evidence that we have had before us as to their extremely depressed condition?—I am speaking of a somewhat different question, I think. It seems to me that one of the difficulties in the matter is that the tenant farmer as compared with 20 or 25 years ago finds himself unable to pay the same rent because in part his own scale of living has risen, and he expects to get more before he pays his rent. That is a very difficult thing to allow for in all these discussions.

18,304. I understood you to say that one of the explanations of this great fall in rent during these last few years—why it has reached the level of 40 years ago—was the fact that the tenant farmer had got increased remuneration?—I think if we refer to the discussions which have taken place, for instance, with reference to the case of the tenant farmer in Ireland you will find——

18,305. We are speaking now of England?—Undoubtedly, but this is an illustration of like causes producing like effects and we do attend to what is going on in Ireland. I think it comes out very clearly that one of the difficulties which have arisen in Ireland is that in spite of the great rise in the prices of produce which has been shown there down to about five or six years ago as compared with 1850 or thereabouts, yet still the tenants were unable—or professed themselves unable—to pay any more rent than they did. When you come to investigate that you find that the tenant expected to live much better before he paid any rent. I do know of cases in districts that I know about myself in Scotland in which undoubtedly you have had a similar improvement in the condition of the tenant farmers generally.

18,306. As Ireland is excluded altogether from the purview of this Commission could you give us an English illustration in support of the view that you have now advanced?—I think we have had illustrations in the evidence which has been given already. We have had one or two statements about the improvement in the condition of the tenant farmer—but not within the last few years.

18,307. Have we not had a great number of illustrations that proved exactly the opposite?—No doubt.

18,308. Is not the general drift of the evidence that we have had from the tenant farmers or the representatives of tenant farmers before this Commission that their position so far from showing increased remuneration has been infinitely worse during the last few years than it was formerly?—But I do not think we have had any very exact budgets from any tenant farmer, and this is one of those elements in the matter——

18,309. I asked you a very plain question—was that the drift of the evidence or was it not—of course you may not believe it?—I think this is hardly the time for me to discuss the evidence which we have had.

18,310. (*Chairman.*) I suppose you are speaking mainly of the smaller tenants?—The district in Scotland that I know best is a district of moderate farms—I mean Lanarkshire. I do know there—I have had several cases before me—of landlords unable to let the farms at any more rent than the rent of 20 or 25 years ago in spite of a considerable improvement in prices there because this is a place which is much favoured in the matter of prices of dairy produce. My friends, who had the letting of the farms, went into it with the farmers and found that the real difficulty was first that the labourer was better paid and better fed, and then that the tenant farmer himself expected to live better before he paid any rent; and these were the two things against the rent.

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18,311. (*Mr. Chaplin.*) In paragraph 30 of your proof you say, "As agricultural prices are not generally so "low as they were then, I attribute the effect on rent "very largely to the increase in the remuneration of "labour in the interval, and possibly the remunera-"tion of the tenant farmer"?—It is quite possible that the tenant farmer, in the prosperous years of the sixties and the beginning of the seventies, may have had his ideas of what his own share of the income ought to be very much raised, and now he is hardly sensible that he is claiming a larger return to himself before he pays rent.

18,312. (*Chairman.*) In that paragraph you are comparing the present with a very considerably remote time, 40 or 50 years ago; between that period and now there has been a considerable rise in the remuneration?—I think so.

Return to capital invested in agriculture.

18,313. (*Mr Chaplin.*) I will proceed to the next point. I think you stated that you attributed so much agitation in regard to this depression in agriculture compared with other trades to the fact of the enormous magnitude of capital invested in it; and you stated that there was no industry that you were aware of in which the return on capital has formed so large a proportion to the gross receipts; I think you went so far as to say that whereas in shipping 10 per cent. of the gross receipts may go to profit and loss, in agriculture it has been 60 per cent.?—I think I said 50.

18,314. Even 50 per cent.?—But then I explained that that included the profit of the tenant farmer as well as the rent.

18,315. Yes, but even admitting that, I should like to know how you arrive at figures anything approaching to it. Do you remember the evidence given by one of our principal witnesses, Mr. Clare Sewell Read, in which he said no profit would be made by a farmer on an arable farm until he had made at least six rents?—But what I should say would be that the larger part of the farming of the country now is not arable.

18,316. The larger part in acreage?—In acreage. I had in view the different kinds of farming, and not merely arable farming.

18,317. In what description of farming is the largest amount of capital embarked?—I am speaking of the capital embarked in the ownership, not so much in the cultivation.

18,318. Well, even in the case of ownership, surely there is more capital embarked in arable cultivation even by the owners than in other descriptions of farming?—I should think if you take the acreage all round and take the selling values the greater part of the value would not be represented by the arable cultivation.

18,319. How do you arrive at this estimate of anything like 50 per cent. as being the profit?—50 per cent. of the gross receipts goes to the tenant farmer and to the landowner together—I should think that that happens sometimes—and even more.

18,320. Are you leaving out of account the outlay?—No, I say the gross receipts.

18,321. The gross receipts?—Take, for instance, such a statement as one hears, that a farm must make three rents, one to the labourer, and one to the tenant farmer, and one to the owner: that would give the 60 per cent. at once to the tenant farmer and the owner. It is a common statement about agriculture. I do not attach much value to the 50 per cent. or the 60 per cent., because even 40 per cent. would be quite sufficient for any purpose that I have in hand. In comparison with other trades the 40 per cent. would be a very remarkable thing.

Fall in prices and foreign competition.

18,322. I will leave one of the practical farmers on this Commission to pursue this part of the examination. I think you said that in one sense foreign competition could be described as the cause of the fall in prices?—Undoubtedly foreign competition, looked at in one aspect, is the cause of the fall in prices, or rather is the cause of the fall in rents I should say.

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18,323. But at the same time you added that we might have had the same foreign competition without the same change that we have had in prices?—And producing a great many of the effects that it has.

18,324. It does not follow then that you trace the fall in prices in any considerable degree necessarily to foreign competition?—I think the changes in prices very often are a question of scale merely, and that such a cause as foreign competition would produce effects whatever the scale of prices may be. I think it depends upon the relation of prices to wages and other things.

18,325. Have you any evidence of your own or any information with regard to the condition of some of our foreign competitors—competitors for instance in wheat in the United States?—I have nothing of my own except what has been before the Commission—nothing specially of my own.

18,326. The evidence that we have had here on that point I suppose would confirm you in the view that there is some other cause for the fall of prices in addition to foreign competition?—I do not like to say in addition, because I think that foreign competition does not compete with the other causes of the changes of prices, and that the scale of prices is produced by the special relation of commodities to a particular article—gold.

18,327. You would say then that there has been some other cause apart from foreign competition?—I do not think foreign competition is a competing cause, that is what I would like to point out, but that foreign competition acting when prices go in a certain way produces one set of effects, and when prices go in another way it produces another set of effects.

18,328. Then I want to come to the question of appreciation which I understand you to say in your opinion is caused by contraction of money?—Contraction of gold in this case.

Contraction of gold owing to diminished production and increased demand.

18,329. This contraction is owing to what?—To a greatly increased demand for the article, gold, and at the time I commenced to write, 22 or 25 years ago, to a greatly diminished production, both changes as compared with the period just before.

18,330. Did you say where those increased demands have chiefly arisen?—The chief demand, when I wrote 22 years ago, with which we were occupied, was the demand for Germany in consequence of its change of money at that time.

18,331. Where else?—The other chief demand was the demand for the United States, which resumed specie payments in 1879 after having had inconvertible paper money from 1860.

18,332. Was this increased demand from Germany in consequence of the disuse of silver?—Partly; not altogether. To a certain extent the demand was occasioned by the abolition of small notes in Germany, and I do not think sufficient importance has been given to that particular change.

18,333. But if silver had not been disused in Germany, I suppose you would say that there would not then have been the same demand for gold that there has been?—There would not have been that particular demand for Germany; what would have arisen if that particular thing had not happened none can tell; there might have been some other demand, some other country might have thought of it, or something—we do not know.

18,334. There has been a great disuse of silver in other countries besides Germany, I think, has there not?—I do not think there has been much disuse even in Germany; the total amount of silver that Germany parted with was not so very large.

18,335. But so far as there has been a disuse for it, it was one of the causes of the increased demand for gold?—The change from silver to gold, of course, made some demand for gold.

18,336. If silver were to be used again to the same extent as before the strain on gold arising from that disuse in Germany I suppose to that extent gold would be relieved?—If it could be used to the same extent as before, as to which I should entertain a good many doubts.

18,337. Now, you told us that you were of opinion that we were on the eve of an increase in prices?—I think that that is a fair probability, looking at all the facts now in the same way that one looked at them in 1872, and at that time I anticipated rather a fall of prices.

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18,338. And you rather anticipate this—first, because you think the most pressing demands have been satisfied, and, secondly, because you anticipate an increased production?—I think I said that the most pressing demands of different kinds that have arisen during the last 20 years have been satisfied, and then I think I said that production already had begun to increase in a sensible manner, and that there were prospects of a further increase.

Production of gold beginning to increase.

18,339. I think you explained to us that the increase at present was something like 6½ millions a year, and that to that increase, with the prospect of more, you look for an improvement in prices?—Along with the cessation of the extraordinary demands for gold.

18,340. Now, upon that question of the extraordinary demands for gold I was not quite clear as to your views about Austria; is it not the case that there is a very large unsatisfied demand in Austria?—Not very large, I think, in comparison with demands which we had 20 years ago.

Extraordinary demands for gold in Europe.

18,341. You do not know what the demand is?—Looking at the general condition of Austria-Hungary, it cannot be a very large demand in comparison with those demands.

18,342. What was the demand of Germany, for instance?—Germany we found took 80 millions within a very few years.

18,343. Is there any reason to suppose that Austria would require very much less than Germany?—I think so; the economic condition is much inferior to that of Germany; the population is less; and they have a large amount of silver in use which they are not likely to part with. I do not think Austria-Hungary economically is at all in a position to be a consumer of gold like Germany.

18,344. But is not the demand for Austria-Hungary estimated at something like 60 millions?—I do not know who has made the estimate, but if it has been made it looks to me as if it was excessive. Of course, I think Italy is a case in point where the estimate was something like 16 millions sterling, and, as a matter of fact, you find after a few years that Italy has not got it.

18,345. In any case there remains the fact, does there not, that there is still an unsatisfied demand in Austria?—The unsatisfied demand I think is not 60 millions in any case, because I think a part of it has been satisfied.

18,346. What I was going to say to you is this: is it not the fact that there still remains a large unsatisfied demand in Austria, whether it be the estimate of 60 millions that I have suggested to you, or whether it be something less?—I do not think it is likely to be a very large demand.

Possible demand for gold in India.

18,347. Now with regard to India it is the case, I understand, that the policy has been adopted of endeavouring to establish a gold standard in India—that is so, is it not?—That I believe is the ultimate intention of the stoppage of the mints for the coinage of silver.

18,348. Can you form any estimate as to what the demands for that purpose for gold in India would be?—I find myself in a great difficulty in making any estimate, because the people who have promoted this gold standard for India have done it in the belief that very little gold would be necessary for the purpose. My own opinion is that to do the job in a proper manner, if it is to be done at all, you might have to provide a very considerable amount of gold; but I see at present no preparations of that kind, and my own opinion is that before the time comes the experiment will have to be given up. I should also go on to say that I do not think it is possible for India to have a gold standard.

18,349. I do not say this at all for the purpose of expressing any difference from you in the opinions you have just stated, but in order to pursue the argument I should like to ask, when you say that it would require a very considerable amount of gold to establish a gold standard in India, whether you can give us roughly any estimate of what that would be?—I am quite unable to do so, because I do not think the thing could be done at all.

18,350. What did you mean, then, when you said that it would require a very considerable amount; what had you in your mind?—I had in my mind the opinion of people who look at operations of that kind in a general way, and who would say, if it could be done at all, you

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would have to do such and such things; that is to say, you would have to take certain measures of precaution which would involve the accumulation of a certain stock of gold before you went into the operation. My own opinion is that you could not do it at all.

18,351. But if such a policy were feasible and were to be carried out, would it require as much, for instance, as Germany, or more?—I do not think it can be carried out, but I think that any people who were intending to carry it out in a proper manner would have to accumulate, not so much as 80 millions sterling, perhaps, but a very large sum.

18,352. A very large sum indeed?—If they were going to do it in a proper way; but there has been no suggestion, as far as I can see as yet, to do it in that manner, because the intention of the people is to do it without accumulating any gold.

18,353. If this policy should be persevered in, and as at the present it is a policy which we have actually before us, and if it takes so large a sum as you anticipate, that would destroy all your calculations as to an improvement in prices based upon an increased annual production of 6½ millions of gold, would it not?—Still in making these calculations you must form a judgment upon all these points, and my judgment is that, as a matter of fact, India is not likely to take any gold for any such purpose.

18,354. Your opinion clearly is that the policy of establishing a gold standard in India will fail, and that it will have ultimately to be abandoned; but I am suggesting to you that you must regard it at the present from the position of facts, and that you must have regard to the fact which we have before us that that is the present policy of the country; and if that policy is persevered in and carried out, then I want to know whether under those circumstances you would still anticipate this improvement in prices which you have led us to believe at present you think is likely to occur?—I think that question involves argument to a certain extent, if I may say so, because I do not think you have correctly described what the policy is. The policy of the Indian Government, as I understand, is to introduce a gold standard without accumulating gold, and I am not aware that it has ever been proposed to introduce a gold standard into India in the only proper way in my opinion in which it can be done. Then I am also of opinion that if it is attempted in the proper way it would still break down, and that we need be as little apprehensive of a gold standard in India as it has turned out we need have been apprehensive about what the Italians were doing some years ago.

18,355. In fact, you maintain that there is a proper and an improper way of doing it?—Undoubtedly

18,356. The proper way of doing it you hold to be impossible?—That is clearly my opinion.

18,357. The improper way of doing it you anticipate will end in the policy being abandoned?—I think it must be.

18,358. So far as you are concerned, although we are absolutely confronted with the policy, you have no apprehension from it?—Not the slightest.

Effect of changes of currency.

18,359. You hold out to us in paragraph 34 of your proof that it is "all important not to touch money"?—That is what I have said.

18,360. But surely money was touched, and very effectively touched, when silver was first demonetised, was it not?—But not by this country.

18,361. Quite so, but the effect has been equally disastrous in many respects, has it not?—I condemn a good many of the changes that were made by other governments, but one of the grounds for my doing so is a ground which would forbid any change by our own government; that is to say that governments should keep their hands off these things as much as possible.

18,362. But hands having once been laid on them, and the mischief having been done, still you are not prepared to sanction any proposals from your point of view which might have the effect to some extent of remedying that?—Because I think that any particular government in considering the question should rather see in what other governments have done, a reason for not meddling themselves, and that the important matter is to have a monetary standard which is independent of the government, and quite automatic.

18,363. In paragraph 42 you observe, "with a money "fluctuating as average commodities have actually "done, which is sometimes spoken of as stable-money, "the result would also have been much the same"; but is that not entirely inconsistent with what you say in paragraph 17?—No. I think paragraph 42 refers specially to paragraph 41.

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18,364. It does not refer to the question of mortgages?—No, but to the question as between tithe payer and tithe receiver.

Effect of increased purchasing powers of money on fixed charges.

18,365. In paragraph 17 you point out that "the "burden of mortgages and other charges would have "remained less than they have become by the increase "of the purchasing power of the money in which they "are expressed"?—There is no inconsistency I think; paragraph 42 refers to paragraph 41.

18,366. I wanted to clear that up. Then you also have said, "there is thus no satisfactory form of perpetual obligation"; upon that I asked you yesterday whether one monetary system might not be better than another; do I interpret your meaning in this statement rightly when I take it that you mean that there is no such thing as a perfectly stable standard?—There is no such thing—no such thing is conceivable even. I think it very important to call attention to the special thing about money in a progressive community—that by the necessity of the case if a community is progressive, a standard that is stable for one purpose, say for commodities, will not be stable for another purpose, say the price of labour.

18,367. But is it not the case that one standard may, at all events, be more stable than another?—No; the two things, the labour and commodities, are going different ways, and no standard can be stable for both; the thing is an impossibility.

18,368. I understand, at least I have reason to believe, that you deny the possibility of there being a double standard?—Absolutely.

Effect of a "double standard" monetary system.

18,369. But are you aware that a great many other people hold opposite opinions, and that it has frequently been contended that a double standard gives greater stability than a single standard? Are you acquainted with the views of Mr. Jevons on that subject?—I think I am very well acquainted with Mr. Jevons' views, and he was very much opposed to a double standard.

18,370. But did he not contend that the effect of having a double standard was that it remained much more stable?—I am not quite sure that Jevons' expressions on that point have been rightly interpreted; they are very complicated, and difficult to follow, and as far as they were perfectly expressed I am not quite sure that I would agree with them.

18,371. May I ask you to listen to the expression of one or two of his views upon this point; then I will ask you to explain in what respect you differ. Speaking of the standards Mr. Jevons' says this: "At any "moment the standard of value is doubtless one metal "or the other, and not both," and so far you agree with him?—That I agree with.

18,372. "Yet the fact that there is an alternation "tends to make each vary much less than it would "otherwise do," do you agree with that?—I do not agree with that at all.

18,373. "It cannot prevent both metals from falling "or rising in value compared with other commodities, "but it can throw variations of supply and demand "over a larger area instead of leaving each metal to "be affected merely by its own accidents." Now, if that were true it would have the effect of providing much greater stability than is provided by a gold standard?—I do not agree with that at all.

18,374. Can you explain why?—It does not seem to me to be a self-evident statement at all.

18,375. I will give you Mr. Jevons' illustration, which I own appears to me to be very apposite; perhaps you can explain it. He says: "Imagine two "reservoirs of water, each subject to independent "variations of supply and demand. In the absence of "any connecting pipe the level of the water in each "reservoir will be subject to its own fluctuations "only." That you would admit, I suppose?—That is true of water.

18,376. "But if we open a connexion the water in "both will assume a certain mean level, and the "effects of any excessive supply or demand will be "distributed over the whole area of both reservoirs." That you admit?—That is true of water.

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18,377. Then he goes on to say: "The mass of the "metals, gold and silver, circulating in Western "Europe in late years is exactly represented by the "water in these reservoirs"?—That I do not agree with in the slightest.

18,378. Will you explain why?—Because that is not the nature of the precious metals when used as money at all.

18,379. Did it not have that effect when both metals were used as a double standard?—I think not.

Level of prices in the bi-metallic period.

18,380. Was not the level of prices very much more stable than it has been since?—I think not; you had as great a change in prices between 1815 and 1830 as you have had of late years.

18,381. Between 1815 and 1830?—Yes, when you had both metals in use. The existence of two metals instead of one does not prevent the greatest fluctuations in the prices of commodities expressed in these metals.

18,382. I assume you do not deny what is known as the quantity theory?—I think that the quantity theory is so imperfectly expressed by many people, that you can hardly speak of it in that definite manner as the view which one person accepts or rejects. I found that expressing casually some kind of assent to it, I was held to assent to a great many things which I did not agree with at all; so I think if Mr. Chaplin does not mind he had better put his theory, whatever it is, in his own words.

18,383. During the time that the double standard was in use on the continent, prices for a great number of years remained practically stable, but since the disuse of the double standard there has been a great fall in prices?—I do not admit that first statement at all. I do not know any time in which prices were practically stable.

18,384. Do you not admit that there has been a great fall in prices since the abandonment of the double standard?—Since 1873 there has been a great fall of prices, but the double standard was abandoned in 1870.

18,385. No; in 1871?—In 1870 France became a country of inconvertible paper, and the double standard has not been operative in France since 1870.

18,386. Were not the mints open to free coinage until 1873?—You may say the mints were open to free coinage, and I suppose the mints of the United States were open to free coinage between 1860 and 1878, but what was the good of free coinage when the money was paper?

Period of bi-metallism in France.

18,387. Do you deny that France was bimetallic up to 1873?—Certainly; it was a country of inconvertible paper after 1870.

18,388. Would that be admitted by the French Government themselves?—Whether it is admitted or not, it is an absolute fact. My own recollection goes back to the time of writing about the premium of gold in France in 1871 and 1872. As well as I know anything I know that the premium existed then.

18,389. I understand that you admit that the mints in France were open till the year 1873?—Till 1874 really.

18,390. About that time?—With some limitations they were open even later.

18,391. And at the same time silver was legal tender money to any amount, was it not?—Silver coins were, but not silver.

18,392. Yes, silver coins. Does that not constitute a bimetallic currency?—There was bimetallic legislation, but I am speaking of the actual facts.

18,393. I am speaking of actual facts too?—You had no bimetallic system after 1870, because the money was inconvertible paper.

18,394. I repeat the question; were not the mints open to the free coinage of silver up to 1873, and was not silver coinage legal tender for debt to an unlimited extent, and do those things not constitute a bimetallic currency?—No, they do not constitute an actual bimetallic money in a country which has inconvertible paper. France was no more bimetallic after 1870 than the United States was from 1860 down to 1878.

18,395. Upon that point I must leave you, as you dispute what I understand to be an almost universally admitted fact, until we have the evidence of some gentlemen upon the other side of the question?—I should like to say upon that that I do not think that points of that kind have been sufficiently studied by a great many of the people who take up the subject. This is one of the things that really stare them in the face.

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18,396. I have no doubt we shall be able to receive the opinions of the gentlemen, who, at all events, may be credited with having sufficiently studied it, but whether they have mastered it is, of course, another thing?—That may be. Still, I am calling the attention of the Commission to a fact.

18,397. Do I understand you to say that the abandonment of this standard—a bimetallic standard as I call it, but what you dispute was a bimetallic standard—in France and the other countries in 1873 has had no effect at all upon the fall of prices?—My belief is that the abandonment was the consequence of a long series of events which must have taken place, and that if in France, for instance, they had attempted to go on with the bimetallic system after 1874 some other changes would have happened; but I believe the ratio between gold and silver would have been much what it is now, and gold prices would have fallen as they have done now.

18,398. I observe that you say in your very able book, which is called "The Case against Bimetallism"—on page 70 of that book—"It may be admitted that in the "actual circumstance of the world, if France had "continued to be bimetallic, probably some of the "mischiefs of the recent fall in prices would not have "been experienced"?—"Probably some"—that is a very hesitating opinion.

18,399. Then it had some effect, even in your view, according to your writings?—An effect of an uncertain amount and degree.

18,400. But it had some effect, at all events?—Apparently it would have some effect, but the question now is one of degree.

18,401. And according to that statement in your writings France was bimetallic?—It had a bimetallic law, but I think you will also find that I have mentioned at different times that bimetallism really came to an end in 1870, and not in 1873.

Coinage of silver in Europe since 1874.

18,402. You gave us some very interesting evidence this morning with regard to the great consumption of silver by the United States and European countries, which I understood you to say has not diminished since 1873. It is impossible for me to follow those figures accurately upon this occasion, but what I want to ask is this: I fancy I am right in saying that the mints of the European countries have been closed to the free coinage of silver since 1874?—Closed to the unlimited coinage of silver. I believe for some years afterwards they admitted a certain limited quantity.

18,403. Is it not the case that the Mint of France is absolutely closed altogether?—Now it is, but for some years after 1874 the exclusion, I think, was not quite absolute; I forget at what date it was made absolute.

18,404. It is absolute in the case now of the other countries, is it not?—I think so, but I think the matter was one of arrangement, and I could not say at what date the exclusion was made complete.

Coinage of silver in the United States.

18,405. Is it absolute also in the case of the United States—I think it is?—The United States have never been practically bimetallic in the same sense as France since they resumed specie payments. I think at the present moment there is no provision either for the coinage of legal tender silver or for the purchase of silver and the issue of paper against it, which was a method by which the United States used silver.

18,406. But at the present moment the mints in the United States are absolutely closed to free coinage?—I think that is the present position, but I never feel quite certain what the present position of things is in the United States until I inquire. That is always my difficulty.

Consumption of silver since 1873.

18,407. Then, there having been this immense excess of imports of silver into all these different countries, which you speak of as an infinitely greater consumption during the last 20 years since 1873 than was the consumption in the 20 years before that period, if all these mints are absolutely closed to its coinage what has become of it—what is the use of it?—That is a question for the future, and would require a good deal of consideration.

18,408. You are not able to throw any light upon that subject?—I should not like to give an opinion of that kind very hastily. The only thing that I could state

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to the Commission that would be of interest about it I think would be that as far as I can judge the best speculative opinion in the city at this moment is in favour of a rise in the value of silver from this point, but what the precise grounds of it are I could not explain minutely. I believe there is a great expectation of quantities of silver going to the East still, and some expectation of a stoppage of production in certain directions.

18,409. If the mints had been still open, and this vast quantity of silver had been coined in the same proportion that it was coined in the years before the mints were closed, would that have had any effect upon prices?—It does not follow that if the mints were open the silver would have been sent there to have been coined.

18,410. I said if it had been?—But there has been more coined, according to that statement I quoted from of Professor Lexis, of late years than there was in the time just before.

18,411. I elicited from you, I thought, in examination just now that all the mints have been closed to free coinage?—Now, within the last few years.

18,412. No, during the last 20 years?—No. I understood you to mean that they were closed now.

18,413. I am speaking of the European countries now?—I am afraid there has been some misunderstanding of your questions on my part.

18,414. I am afraid I shall have to ask them again: is it not the fact that the mints of France and of other European countries have been closed to the free coinage of silver for a great number of years?—To the free coinage of full legal tender silver?

18,415. Yes?—That is so.

18,416. Then what has this money been coined for?—Has it been coined, do you contend, in the European States?—The principal European State that I mentioned was France, and I do not think there has been much coinage in France in that period, but still the silver has been used.

18,417. Has there been any coinage in France except for the purposes of token money?—I should not like to say off-hand.

Gold and silver prices compared.

18,418. Then I will repeat the question: if in these countries where I now understand you to say the mints have been closed this silver had been coined, would that have had an effect upon prices?—I do not think it would have had any effect at all, because the prices have been gold prices all the way through.

18,419. You do not admit then, that there is such a thing as silver prices?—There are silver prices where silver is the standard.

18,420. And where silver has been the standard, that is proved I think to be much more stable than a gold standard?—It has been more stable with reference to the average of wholesale commodities in the last 20 years I think than gold has been.

18,421. When silver and gold were both legal tender during the reign of the bimetallic period do I understand you to say that the silver then had no effect upon prices?—Not except in the countries where silver practically was the standard. In some countries, I maintain under a bimetallic law silver had become practically the standard just as if they were silver standard countries; and of course in a country like that the prices would be silver prices.

18,422. Then the cessation of the coinage of a great quantity of silver has affected prices?—I do not see that that has any connexion with the answer I have just given.

Imports and coinage of silver in India compared.

18,423. It seems to me to be connected with it very distinctly. You told us something with regard to India. I think you said that the excess of silver imports into India between 1860 and 1873 had been 1,076 millions of rupees?—Yes.

18,424. And between 1874 and 1892 it had been 1,545 millions of rupees, and you stated in answer to a question of mine that it was well known that a great quantity of this silver, I think you said, was coined?—Was passed through the mints.

18,425. I referred from recollection to a memorandum laid before Lord Herschel's committee by Mr. F. C. Harrison, in which I find these statements: "Taking "everything into consideration, and calculating the "waste at ·06 per cent. annually, I am inclined to think "that the silver in India is about 510 crores of rupees." Then later on he goes on to say this: "In my first "memorandum I have estimated the silver in India to "be about 510 crores. Of this about 166½ crores is in "active circulation; 343½ crores remain to be accounted "for. Of this considerably less than 50 crores is "hoarded in the form of rupees. Roughly speaking, "it may be said that 300 crores may be held in India "in the form of bullion, obsolete coin, and ornaments." Now is that not rather an exactly opposite view to the one that you have put before us, namely, that this great mass of silver had gone through the mints?—I think the two things are quite consistent.

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18,426. Why?—It is quite possible that the mass of silver going to India of late years has passed through the mints, and it is also quite possible that the constitution of silver held in India at this moment is what Mr. Harrison describes. The two things are not at all inconsistent.

18,427. In what respect are they not inconsistent?—Because they bear upon different facts.

18,428. In one case you state that the great mass of these exports of silver to India is in the form of coined money?—I did not say that it is in the form of coined money at the present time; I said that it had passed through the mints.

18,429. You mean that it has passed through the mints and been melted again for hoards?—What happened after it passed through the mints I cannot tell, but it is a question of fact surely what the excess of imports of silver is, and what the coinage is, and these are things which can be ascertained.

18,430. What evidence is there to show that it has passed through the mints?—The evidence is that an equal amount has been coined in India in those years, or a nearly equal amount.

18,431. Where are the figures that show it?—If I had thought you were going to put the question I would have brought the statistical abstract for India, where the thing would have appeared at once.

18,432. This, mind you, which I have quoted from the Blue Book, is the official statement of the Indian Government?—But the statement is not in the least inconsistent with anything I have said.

18,433. I think it is extremely inconsistent. The statement gives the whole sum of silver in India as 500 crores. Of that it says that 300 at least are held in the form of bullion, obsolete coin, and ornaments. Unless on the supposition that they have passed through the mints and have all been melted, it seems to me that it is absolutely inconsistent?—Might I ask what is the use of putting a question of that kind when you have only got to turn to such a common document as the statistical abstract for India and you will see whether as a matter of fact the coinage of rupees has approximated to the excess of imports of silver into India? That is all I say.

18,434. I suppose it is for me to judge what use it is to put the question?—I do not see any inconsistency in what you have been quoting in the slightest degree.

18,435. If you do not see any inconsistency between this statement made in the official memorandum of the Government, and the statement which you have made, that it is well-known that the great quantity of this mass of silver imported into India is held in the form of coined silver?—But I did not say it was held in the form of coined silver. I said it went to the Mint and was coined, but as to what became of it afterwards I said nothing.

Imports of gold since 1858.

18,436. (*Viscount Cobham.*) Turning to your Table No. IX. (*see* Appendix , Table IX.), I suppose the causes of the movements of gold are very obscure, or could you throw any light upon the remarkable changes over different periods shown in that table. The first period, from 1858 to 1871, shows an excess of imports every year, except one, does it not?—Yes.

18,437. Then there was a very different state of things in the next 20 years?—That is so.

18,438. Is that explainable?—I think that it is explainable in the way that I suggested; that there was a much greater pressure of gold in these years after 1872 than there was in the years before. That is the only explanation—that there was not so much free gold about the world.

18,439. In a period of active trade in a country how would you expect the gold to move?—The peculiarity of this country is that almost all the gold produced

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seems to come to London for a market and is then distributed; and, of course, I cannot say that in times of good trade there is so very much more movement than at other times. The movements of gold depend upon a great variety of circumstances.

Effects of supply of gold on prices.

18,440. I think you found generally upon this table the conclusion that prices are likely to improve shortly; that is to say, that since 1888 there has been an accumulation in this country, and that it is likely to continue, and to cause a rise in prices?—That seems to be the indication. When gold tends to accumulate over a long series of years in a free market like London it means, on the whole, that there is not such a squeeze for it as there has been at other times.

18,441. Can you explain why the rise in prices has not, as a matter of fact, begun since 1888, but rather the contrary?—Experience seems to show that in a time of depression it takes a considerable time before the effect upon prices is produced. I am not at all changed in my opinion by the fact that as yet the effect of these things accumulating has not been produced.

18,442. Have you any other grounds besides the indications of this table for anticipating a rise in prices?—I think, generally, from what I hear as to the markets, that after you have had a time of depression in the prices of commodities, such as we have had, the effect is to diminish cultivation in certain directions, and that in that way also there is fair reason to expect a rise in the prices of agricultural produce specially.

Fall in rents.

18,443–7. I think you have stated it in your evidence, that the maximum amount of rent received in England was 51½ millions?—About that.

18,448. And that it has fallen to 41½ millions?—That is the amount of the assessment in Schedule B.

18,449. Do you think that that fairly well represents the actual facts?—Do you mean that the assessments might not be equal to the rent?

18,450. The fall of rent there shown is 20 per cent.; do you think that that fairly represents the actual fall in rents?—I should think that probably, judging from the evidence we have heard here, the average fall of rents has been more than that, that the assessments were never quite equal to the maximum rents, and that the assessments are not down now to the minimum.

18,451. There is a very great discrepancy, is there not, if our evidence is at all accurate; I think we have had evidence before us about the fall in rents being not less than 30 per cent.?—This, again, is involving a discussion of the evidence into which I do not quite like to venture; but I think we have had some cases of a fall of rents of not more than 15 per cent., perhaps, and cases like Cheshire, in which there has been very little fall.

18,452. Do you recollect the estimate which Sir James Caird made a few years ago?—Not very well.

18,453. Am I not right in thinking that it was an estimate of a fall of 30 per cent.?—He gave some evidence, I think, before the Commission on the Depression of Trade, but I was never able to follow it, and I did not follow it.

18,454. I think that is so; that he estimated seven or eight years ago that the fall there had been as much as 30 per cent.?—My experience is that general impressions of that kind are very apt to be corrected when you come to get actual statistics.

18,455. Sir James Caird was hardly a man to give general impressions only, was he?—I think by the necessity of the case he would be bound to do so in this instance. It would be an impression derived no doubt from great experience and from putting a great many things together, but it would not be actually a statistical computation for which he had not the means, I think.

18,456. You think, at all events, that the table of assessments is the best evidence that is accessible to us?—When we get it more complete perhaps, when we get a later year, it will give us a minimum view of the subject; we shall be quite sure, at least, that the change of rents has been that and probably more.

18,457. (*Chairman.*) Could we add to it what the assessments were at their highest, somewhere about 1876 or 1877?—I could give it for the whole of England and Wales, but I could not give it county by county, of course.

18,458. Not county by county?—No.

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18,459. Of course it would be very desirable to see it county by county?—I am afraid the only way to do that would be to get the Inland Revenue people to do it. I think it might be worth while for the secretary to put himself in communication with the Inland Revenue Department, and see what information can be got at different periods so that you might fix what to ask for. But I may tell you that they will have great difficulties in giving it county by county, unless they happen at some particular date to have done that, because the labour of getting that return was very excessive. (*See* Appendix .)

18,460. (*Viscount Cobham.*) The only explanation of the discrepancy would be that there must be a considerable amount of temporary remissions of rent?—But that they are fully acquainted with; where they have given an abatement of income tax in respect of a temporary abatement of rent they take a note of it.

18,461. But they would not know anything like the whole number?—I am afraid they could not know the whole amount of it.

18,462. (*Mr. Whitehead.*) I think the evidence you have given us applies to the general trade of the country as well as to agriculture?—As far as the general fall of prices is concerned.

Depression in agriculture and other trades compared.

18,463. May I ask whether other trades have suffered in the same degree as agriculture has in your opinion?—I think some trades have suffered quite as much. I refer especially to the iron trade and the shipbuilding trades at different times where the suffering has really been very great. Of course the amount of capital involved is much less.

18,464. Still there may be some trades that have not suffered equally, and some perhaps which have not suffered at all?—That is quite right. I think one may say that the retail trades of the country, the distributing trades, have not suffered nearly so much as the producing trades.

Depression abroad.

18,465. Might I ask whether the depression applies to all countries?—I think so. As far as agricultural countries are concerned, countries which are less manufacturing than we are, my impression is that the depression has been even greater generally in those countries than it has been with ourselves; I mean countries like the Argentine Republic, or countries like Australia, and like the west of the United States; the depression has been greater there even than it has been in this country, because the whole business there has been the production of agricultural produce and of raw materials.

18,466. Their depression applies only to agriculture, or rather more to agriculture?—We have not such a proportionately large business in the production of food and raw materials.

Relative fall in prices in manufactured articles and raw materials.

18,467. May I ask whether the expression you use in your syllabus "Commodities" expresses manufactured articles, products, and produce generally?—These tables to which the index numbers apply include manufactured articles to a very slight extent. In some of the papers which I have read and to which I referred, particularly the first paper of all, or the second, in 1872 or 1879, you will find a discussion of the relative fall in manufactured articles compared with the fall in raw materials and the relative rise in manufactured articles compared with the rise in raw materials. I think the general conclusion was that as the result of the depreciation of gold between 1848 and 1870 there was a much greater rise in the prices of raw materials than there was in the prices of manufactured articles then, from which I should infer now that the fall in the price of manufactured articles has probably been much greater than the fall in the prices of raw materials.

18,468. To raw materials would you add agricultural produce?—I would put agricultural produce very much with raw materials.

18,469. You say that agricultural produce has not suffered nearly so much as manufactured articles?—I think probably that in many manufactured articles you have had a much greater fall proportionately than you have had in agricultural produce.

Price of labour a main factor of depression.

18,470. Then according to the tenour of your evidence I think the Commission gathers that the price of labour is a main factor of the depression of trade in agriculture?—I think so.

18,471. You would say that the actual money wages are not higher, but that owing to the appreciation of

gold all articles of use, and especially of consumption, food, clothing, &c., are cheaper than they ever have been?—That is so at the present time, I think, or rather not than they ever have been, because if you go back to the Middle Ages I think you will find that prices were lower. But they are lower now than they have been for a very long period indeed.

18,472. Taking 50 years?—Taking 50 years.

Fall in wheat and other agricultural products compared.

18,473. Do you not think that the abnormal circumstances of wholesale wheat production in such soils as the virgin soils of the United States, Canada, and other countries have exercised abnormal influences upon British agriculture, and depressed prices irrespective of the appreciation of gold? That is to say, that there has been a special fall in agricultural prices?—Yes?

18,474. Yes?—That would be a very difficult question to go into, and I doubt whether you would find that there has been any special fall in agricultural prices except in the article of wheat, I think. I do not think you can say that there has been any fall in agricultural prices more than the fall in general prices, except perhaps in the article of wheat.

18,475. Has not all corn suffered equally with wheat?—Not equally.

18,476. You think it would apply only to wheat?—I think that is the only article that seems to show a very special depreciation of price.

18,477. (*Viscount Cobham.*) Has it fallen more than iron?—I think it has fallen more than iron.

18,478. (*Mr. Chaplin.*) Or cotton?—Not more than cotton, but then I am taking the average of other articles.

Effect of supply of gold on prices.

18,479. (*Mr. Whitehead.*) Do you think that any supply of gold would have obviated the depression caused by competition from foreign countries?—I think if the scale of prices had continued different from what it has been some of the effects of foreign competition which have been felt would not have been felt, and that you would not have had quite the same fall in rents as has taken place for instance.

18,480. Not in rents?—Not in rents.

Depression in England and other countries compared.

18,481. It is a strong argument in favour of your contention that in France and other countries where Protection holds, and where competition in corn has not been so great that the depression has been equal to that in England, for instance?—I think as far as one can judge the depression seems to have been quite as great in other countries as it has been in this country, but then that is not a point on which I have made any special examination.

18,482. Not as to the comparative depression?—Not as to the comparative degree of depression. That is one of the most difficult things to establish. Suppose you say that the depression in this country has amounted to, say, 10 per cent., you would say that we are 10 per cent. worse off than we were 20 years ago, or something of that kind; but how are you to say whether the depression in France has been 8 per cent. or 12 per cent., or some other figure? You cannot at all compare the degrees of depression exactly.

18,483. But you would hold that there has been great depression in all those countries?—There has been great depression.

18,484. Countries protected by Protection?—Quite as much where there is Protection as where there is not.

18,485. Therefore it may be argued that the depression is attributable to the appreciation of gold?—The fall of prices is attributable to the contraction of gold very largely, but how far depression goes beyond that is a different question. I think some of the depression must be attributable to that cause to which I have referred, and that is the labourer taking a larger share of the gross produce than he did before.

18,486. I was speaking then of the depression in agriculture only?—That would apply to agriculture specially.

Fall in prices of wheat and wool compared.

18,487. (*Mr. Clay.*) You said to Mr. Whitehead that wheat is the only produce of the farm that has fallen very greatly, I think?—That has conspicuously fallen more than the general average.

18,488. Take wool, which is a very important element in the making of a rent in a large proportion of hill farms, and even good arable farms; I think by your return it has fallen nearly a half?—I think I probably had in my mind that the fall in the case of wool was a fall from a very exceptional price.

18,489. It was not a very exceptional price in 1873, was it?—I know that there was an exceptional price for good wool after the cotton famine; when the change took place after that I could not say exactly.

18,490. It was a very exceptional price at the beginning of the cotton famine in 1864, when it rose suddenly up to 32*d.* per pack. Of course, you would think that exceptional?—That was exceptional, I should think.

18,491. But now you have it down to 11¼*d.* in 1893?—But how much was it in 1873?

18,492. Twenty-three?—That was also an exceptional price, I should think, for wool.

18,493. Twenty-three per pack; I do not know what is the English equivalent?—I think my impression was as I have said. I did not pay so much attention to wool in that way, because I considered that the price in 1873 was rather exceptional, and I do not think you can say that the price of wheat in 1873, or at that time was very much above the average of what it had been.

18,494. You know in our country, in Scotland generally, that the wool is a very important element as a rent-payer, and therefore, coming down by one-half is a very serious matter to hill farms?—Still, it is not so important an article of agricultural produce generally—not nearly so important as beef or articles of that kind.

18,495. Is that your experience?—Taking the production of the agriculture of this country generally.

18,496. I am talking just now about hill farming?—Of course, what is true of all agriculture might not be true of some particular forms of it.

18,497. If two-thirds of the rent were paid by wool when it comes down to one-half, that would make the two-thirds into a very small proportion?—That would be so.

18,498. Mr. Chaplin put some questions to you about rent; you seem to hold the old idea, which perhaps is not a bad one, that three rents are required out of the land?—I took that as a common mode of speech about it.

18,499. When you heard Mr. Clare Sewell Read saying that you would require six rents nowadays, did you agree with him?—I did not go into it minutely at all. I did not examine Mr. Read about it, but that is quite possible at the present moment, and yet it may not have been the case 20 years ago, which was the time at which we began.

Effect on rent of increased cost of living of tenant farmer and labourer.

18,500. Is not the cause of the fall of rent in one way which he pointed out the increased cost of living of the farmer, and the increased cost of living of the labourer, and the demand for higher wages, have those two things not gone a great deal towards lowering the rent of land?—That was one of the points which I put, and I put it that that is a thing which would have affected the real rent of the land, whatever the money prices of the labour had been. If the labourer and the tenant farmer have for their living the equivalent of so much more of the produce than they used to get, that will go against the rent.

18,501. Indeed in the social scale goes just now, the labourer thinks he must have more of the produce of the farm than he has had before?—That is so, I believe, and that would affect the rent whatever the scale of prices be, if the labourer got a greater share of the produce.

18,502. So whatever scale of prices there is, the living of the tenant and the increased demands of the labourer for wage and living and dressing, are more by 30 per cent. than they were 20 or 30 years ago?—I should not have put it so high as 30 per cent., but I should have said 20 per cent.; possibly in many parts of the country it is as much as you say.

18,503. Do you see any chance of the demand for these things being decreased?—I think the general tendency of the times is rather to maintain and to improve the condition of the labourer.

18,504. That the labourer and the tenant farmer are entitled to more of the produce of the soil than they have had in the past?—I do not say entitled, but I say that they are likely to have it.

Comparison of total amount of rent at different periods.

18,505–6. You have given us a comparison between the rental of all the counties of England and Wales in 1842–43, and in 1888–89; do you know whether there are any figures available for an intermediate period?—I could not say; I think it is just possible there may be, county by county, if you look at the decennial reports of the Inland Revenue Department, but I could not say for certain that you would find it there.

18,507. I suppose—we have had it in fact in evidence—that any comparison of the total amount would show that there was a continuous increase in the amount up to about 1879 or 1880?—Yes, to 1879 or thereabouts.

18,508. 1880, I think, was the highest point for England?—I think so, but that, of course, represents more the actual rental of two or three years before that than the rental at the moment.

18,509. It is based upon triennial assessments, is it not?—Yes.

18,510. And when a new assessment is made there may be a change?—Yes.

18,511. The figures that you have given are based on Schedule B., I understand?—Yes.

18,512. That is gross rent?—I believe so.

18,513. Which includes besides tithe all the outgoings on land such as we have in our part of the country for arterial drainage?—I could not say myself precisely what it includes.

11,514. Perhaps you will take it from me that it does?—I do know as a matter of fact that the Inland Revenue Department, when they were getting the information together, were most careful to inquire and to put the two returns as far as possible on exactly the same footing, so that the one return included what the other included. I know that their attention was given to the points that you mention of that kind.

18,515. The point I wish to make is this, that being a gross rent and including as it does in the case of Cambridgeshire and other counties, the very large sum which is paid for arterial drainage, if that drainage has increased since 1842 the net sum to the landlord must have decreased by that amount?—That would be so.

18,516. Supposing the totals to be equal now and then?—That would be so.

18,517. If a million of money has been spent—and I think I might venture to say a million of money has been spent—in the county of Cambridgeshire on arterial drainage since 1842 and the rent is still the same, then the interest on that it is shown by these figures is entirely lost?—That would be so.

Method of assessments under Schedules A. and B.

18,518. Have you any practical acquaintance with the method by which Schedule B. is assessed?—No, I am not acquainted with it practically.

18,519. Perhaps you know that it is very largely based upon parochial assessments?—I believe Schedule A. is also based upon parochial assessments.

18,520. Schedule A. is the foundation for Schedule B., and in the absence of any return and in the case where a man is occupying his own land the value must be estimated?—I could not say of my own knowledge—that follows from the nature of things.

18,521. It is clear that where the rent is not paid or where the rent is not ascertained, you must resort to a principle of estimation?—That would be so.

18,522. From my experience the parochial assessment is the basis of assessment in all such cases, now are you aware that previous to the Union Chargeability Act the practice in all parishes was to keep down the assessment as much as possible?—I could not say that that was the practice.

18,523. You can understand that when every parish was a law to itself, and made its own assessment for parochial and union purposes, they were anxious to keep down the amount which might be used against them for county and Imperial purposes?—I could not say of my own knowledge how far that would extend in practice, but for Imperial purposes that would not affect them, I think, before 1842–43, because you had no income tax till then.

18,524. No, not before 1842–43, but I am speaking of before 1865. Up to 1865 there was a direct inducement to keep down the parochial assessment, and was not the effect of the Union Chargeability Act in raising the parochial assessments felt distinctly in the raising of the assessment for the income tax—was there not a very considerable rise after that?—There was a very considerable rise after that, but then I am bound to say that you had a very considerable rise in Schedule D. and other items of the income tax that were not subject to that; so that what the special effect of that was I would find it very difficult to say.

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18,525. Do you know or do you think that it could be ascertained what proportion of the assessments under Schedule A. and Schedule B. are made by estimation, and what proportion upon actual returns?—I doubt even whether the Inland Revenue Department could tell you that without a good deal of inquiry of the particular officers who do it.

18,526. Would you be surprised to know that in some parts of the country at least, as to which I can speak, a very large number of estimations have to be made, and that no returns are made?—I know that is the case with the income tax very generally in England, but not so much in Scotland, I think.

18,527. That is very generally the case in England?—Yes.

18,528. And where no return is made and when rents are exceptionally high is it not extremely probable that the estimate of the rent would be below the actual rent?—My own impression is that for a good many years the tendency of the income tax people has been to draw the reins a little tighter, if possible, and that the effect of that upon the two years 1842–43 and 1888–89 would be that in 1842–43 probably the figures that you have are much more under the mark for the time than the figures you have got now, and that the effect would be that the change in rent between 1842–43 and the present time has been greater than this return shows. I think that that is an inference that would be quite well justified.

18,529. You are aware, are you not, that a very large number of people have no interest in these returns being correct since they do not pay income tax, and that consequently an assessment may go unchallenged for many years because no one has any interest in disproving it?—I do not know how far that would affect Schedule B. if you look at it as the dependency of Schedule A., because although a particular farmer paying under Schedule B. might not have an income subject to income tax the owner's income, as he has more properties than one, might still be subject to income tax, and he would have a motive in seeing at least that he was not over-assessed.

18,530. A great many owners have not 150*l.* a year which make them payers of income tax?—I do not think the deductions of that kind, as far as one can judge from the Inland Revenue returns, are very serious—the deductions from Schedule A. I mean. The deductions from Schedule B. are very large indeed.

18,531. I will take another case where a man is a nominal owner and has a large mortgage; the object is to get at the mortgagee; the owner proves that he has not the 150*l.* a year because he has to pay so much interest on the mortgage; the Surveyor of Taxes finds out what the interest on the mortgage is and he says: You must pay income tax on this interest whether the land is worth it or not, because you can get it again?—Yes, that would be so.

18,532. That is another source of error and over estimation in bad times, is it not?—That would be the tendency, but to what degree it would operate of course would be the important question statistically.

Proportion of profit and loss to gross receipts in agriculture and other industries compared.

18,533. Now, I should like to ask you about Paragraph 21, where you say: "Whereas in shipping 10 "per cent. of the gross receipts may go to profit and "loss, in agriculture it has been 50 per cent. and upwards." May I ask what deductions you make from the gross receipts before estimating your sum for profit and loss?—That, of course, would depend upon the kind of agriculture.

18,534. And the nature of the expenses; what would this 50 per cent. and upwards, to put it the other way, cover?—It would cover the tenant farmer's income and the landowner's rent.

18,535. And nothing else?—The remainder would be for labour, and for the things that were purchased for the farms—manures, and things of that kind.

18,536. You are using the term profit and loss account in the sense of a trade account, I presume, as in making up a company's account?—In the sense in

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which it would be used in the shipping trade; for instance, where you take the gross income of the ship and you find that the amount that would go to profit and loss would be 10 per cent. of the gross income say, but there would be wages, and the other things to go out of the gross income.

18,537. I suppose in a trader's account of that kind you would allow a salary for the manager?—That would be so.

18,538. But in the profit and loss account for the farmer you are allowing nothing for the salary of the manager?—That applies to a great many things in Schedule D. as well. The profit there of a man in trade includes the earnings that he would have if he were employed as manager. It is well known that the profit includes also the salary of superintendence.

18,539. Could you show by any series of accounts that anything like 50 per cent. of the produce is divisible between the landlord and tenant in addition to a salary which the farmer might be entitled to as the manager?—I would not say in addition to the salary.

18,540. Inclusive?—That would be inclusive.

18,541. And you think, at the present time, that 50 per cent. of the produce is divisible between the landlord and the tenant?—I would not say so much at the present time as that, it is the thing which has been.

18,542. In some former time. I do not know whether you are familiar with some farm accounts which I obtained when I was under the Richmond Commission, and which I reduced to per-centages?—I do not recollect them at this moment.

18,543. I have taken out this morning seven instances of these accounts which extend over a period of years. I have left out all those that were for one year only, and I find that on the average of those seven examples the landlord and the tithe owner, and the rate collector, and the tax gatherer, got 33 per cent., which is very near to the old idea of one-third, only that third does not go to the landlord alone but it goes to the landlord, the tithe owner, the rate collector, and the tax collector, and only 9 per cent. of the proceeds went to the farmer; that brings it up to 42 per cent., which is very much less than the 50 per cent.?—I should like almost to ask you the question whether that 9 per cent. included everything that the farmer got. I should like before we pass on from this to say that I had very much in my mind, as something analogous to agriculture in the proportion of capital, the railways. We do know that the working expenses of railways range from 50 to 55 per cent., and that the amount that goes to profit and loss is from 45 to 50 per cent. It occupied my mind a good deal to explain why it was in agriculture there was so much suffering, and in railways you had no outcry to speak of by comparison. I believe the chief difference is that railways have been a progressive industry and agriculture has not been progressive.

18,544. You remember Dr. Fream gave us some accounts for three periods of seven years, and that I drew his attention to a great change which had taken place in the three periods?—Yes, that was so.

18,545. I found from those accounts that in the first seven years 47 per cent. was available for the landlord and tenant, in the second 31 per cent., and in the last period of seven years only 14 per cent.; so that would not show anything like the per-centage you name of the produce?—47 per cent. is very near 50 per cent. I consider it practically the same thing.

18,546. For the first seven years in the 21?—I was speaking of the beginning of the period—of how it was then.

18,547. You do not think that is applicable now, do you?—That would not be so applicable now.

18,548. You say that the labourer has got a larger share of the produce than he had; that an economic revolution has transferred a proportion of the produce which was enjoyed by the landlord and tenant to the labourer?—I think that is undoubted.

Increased remuneration of labourer.

18,549. And ultimately that must come out of the rent?—I think so.

18,550. Unless a greater amount of produce can be grown?—Unless you can grow a greater amount of net produce.

18,551. That would rather point to this: that where the labourer is also the owner and the farmer, he should have a chance of succeeding?—What he loses as an owner he gains as a labourer?

18,552. Yes?—That would be so.

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Position of occupying owners.

18,553. That would tend to show that the occupying owner who tilled the land with his own hands would have a better chance of success than any other class?—Under certain conditions.

18,554. And he would have this advantage that the fall of prices would not affect him in so far as it related to produce that he consumed?—I think also it would have this disadvantage that if he only got the same income as he got before, suppose he gets it now as a labourer instead of getting it as an owner, relatively his position would be changed for the worse with regard to other labourers, and he would feel that a little.

18,555. In so far as he became the owner, the occupier, and the labourer he would not suffer from that transfer of produce from one to the other which has occurred?—He would suffer from the relative change in his position in the way that I explain.

18,556. Do you mean that he would be in a worse position than the labourer?—He would be in a worse position relatively; he would not be so superior to the ordinary labourer as he was before.

18,557. I am speaking of the labourer who becomes an owner and an occupier; his position relatively would be as good as before, would it not?—I do not think he would have so much to gain by becoming an owner under the new conditions.

Revision of basis of Tithe Commutation.

18,558. (*Mr. Dalton.*) I think you said that you had made a special inquiry as to the principles on which the Tithe Commutation Act was arranged?—Yes, some two or three years ago I had to do that.

18,559. And you came to the conclusion that there was no satisfactory form of perpetual obligation?—I looked into the different methods that were suggested then, and what the probable results would have been if they had been adopted, and I came to the conclusion that none of them were quite so satisfactory as the authors of them seemed to think they would be.

18,560. And you would have thought it a prudent thing at that time if the tithe commutation had been made subject to revision after a certain number of years?—I think that would have been a most important thing to do, but that was a thing which was overlooked when it was settled; they seemed to be so confident that the settlement once made was so well made that it would last for all time. It was made upon the assumption that agriculture was going to improve very much, and that the tithe would be a continually diminishing proportion both of the gross produce and of the rent. These things in effect have not happened.

18,561. The exact opposite has happened practically?—The opposite has happened, and the tithe now is, I do not say a larger share of the gross produce, but it is a larger share of the net produce than it was in 1836.

18,562. Do you think the hardship is so great as to justify a re-opening of the tithe question?—I think that the facts are of a kind to show that it would have been desirable in the tithe settlement of 1836 to provide for a revision of it after a great many years had passed, and I think the circumstances are also such that if they would not quite justify they would certainly excuse a re-opening of the tithe settlement and an adjustment with reference to modern conditions altogether.

18,563. In some cases it would be to the benefit both of the tithe owner and of the landowner if that was done?—I think in some cases where the tithe has become a very large proportion of the rent, say a half or more than half, it is highly desirable that the thing should be put on a proper footing, and that the landowner should have a larger real interest in his property then he has.

18,564. Do the same considerations to some extent affect the land tax?—They might affect it the same in principle, but not to the same degree, as the land tax is a much smaller thing altogether.

Fall in prices due to contraction of gold.

18,565. (*Mr. Lambert.*) To what do you attribute the fall in agricultural prices?—Chiefly to the same causes that have produced the fall in general prices.

18,566. What would they be?—The contraction of money relatively to what went before. That is the difference between the last 20 years and the 20 years before.

18,567. Had it nothing to do with foreign competition?—I do not think foreign competition, to use rather a

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technical phrase, is on the same plane with changes in prices. I believe that foreign competition would affect us whatever the scale of prices might be.

Increase in purchasing power of money.

18,568. How much do you think the purchasing power of money has increased in the last 20 years?—That depends entirely upon what you measure it by. If you measure it by the average wholesale commodities that are dealt with in these index numbers, I think that 25 per cent. to 30 per cent. would be the measure, but if you were to take a day's labour for the measure you might say that the purchasing power of money is exactly what it was. It depends entirely upon the measure that you take.

18,569. Then presuming that rents have decreased 25 per cent., the purchasing power of those rents, with the exception of labour, would be as great as it was 20 years ago?—That is, assuming that rents have decreased 25 per cent., but the evidence seems to be that the reduction of rents is rather greater than the general fall of prices; and that would follow, because the reduction of prices would fall upon the gross produce, and as the rent is the margin, it would have much more effect proportionately upon the rent than it has upon the gross produce.

Possibility of an international agreement on currency.

18,570. (*Mr. Channing.*) You expressed a very strong opinion as to the failure in arriving at a gold standard in India. I suppose I may infer from that that your opinion is that, at any rate for a long time, we shall be in the position of having gold standard countries and silver standard countries?—I think that is quite unavoidable in the present circumstances of the world.

18,571. Do you think that that will have as its natural result a tendency to arrive at some agreement between nations as to the relative value of the two standards used in one set of countries and in the other?—I think not, because that is not a matter about which nations can make effective agreements at all. It rests on daily business, and whatever governments may agree to the market will go its own way.

18,572. Do you not think the tendency of business might produce a pressure upon Governments to take that course?—I do not think that there is any experience to show that Governments can regulate the prices at which the two commodities will exchange for each other.

18,573. You would not support any policy of mitigating the evils of change which seem to be inevitable from having gold standard countries and silver standard countries trading with each other?—I do not think Governments can do anything to mitigate the difficulties of exchange which they had better let alone.

Movements in prices of commodities.

18,574. (*Mr. Everett.*) First. I would like to ask you some question in regard to your tables, and I will begin with Table II. which deals with the index numbers of the movement of prices. (*See* Appendix, Table II.). If you had gone back five years further you would have started with a higher figure, would you not, and if you had continued it down to the present time your lowest figure would have been much lower than your present lowest figure?—You mean if I had gone back further?

18,575. If you had gone back to 1863, for instance. I have here before me, I may say, the "Economist" index numbers and the number which you give as 2,750 for the average of the years 1868-77 is 3,400, 3,700, 3,500, 3,500 and 3,000 in the five years previous?—That might be so, but if you had taken a period of 10 years before 1868, I am not quite sure that you would have got a higher figure to begin with than you have got there; at any rate it is highly desirable in these matters, and in comparisons of that kind rather to take long periods if you can.

18,576. Then generally on the index numbers I would ask you this question—they show, do they not, that from the time of the gold discoveries there was a considerable upward movement in prices, and that from the time of the change in monetary legislation there set in a downward fall in prices which has continued right down to the present time?—I think that is the effect of the evidence which I gave, but with this difference, that the fall of prices was more marked about 12 or 13 years ago than it has been since. As far as I can judge the greater part of the fall occurred in the first part of the period.

18,577. I should be correct when I say that had you carried your first figure five years backwarder, that is, if you had started with 1863, your first figure, 2,750, would have been a higher figure, and if you had continued the list down to the present time your 2,300 would have been near 2,000?—The latest figure that I gave is 2,170 I think it would have been somewhat lower if we had taken the present time actually, but how far the insertion of one or two years in the average and the taking out of one or two would have made much difference I could not say without a careful examination.

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18,578. But your figures do not show the whole of the movement which has taken place as between the level of a few years at the highest prices and the level at the present time?—The figures are more average figures than extremes undoubtedly.

Income tax per head of population.

18,579. Then we come to Table No. IV. which shows the annual yield of the income tax per head of the population. (*See* Appendix , Table IV.). Your figures there show that the income tax per head of the population had a progressive yield down to 1879, and that in the 10 years following 1879 the movement was retrograde or stationary; that is the general teaching of these figures?—That is the effect.

18,580. Then we come to Table No. VII. which deals with the wages of agricultural labourers. (*See* Appendix , Table VII.). Now you wrote, I believe, in 1888 a paper on "Prices and Incomes Compared"?—Yes, that was so.

Wages of agricultural labourers.

18,581. I have here before me on page 26 of the printed essay this statement: "Major Craigie's conclusion is that at the present time"—this was 1888—"as compared with 10 years ago, the drop in that part "of the labourers' wage paid in money from 18 to "20 per cent. in the east and in the west of England "about 12 per cent." When I compare that with the figures that you lay before us here, certainly the two facts do not appear to be square one with the other; the figures you have given us do not show a movement for the whole, corresponding with that which you here say was the conclusion Major Craigie arrived at?—I have just looked at one or two of the eastern counties and I do not know but what there is a fair correspondence if you allow for the different years. But in any case I was bound to give these figures as I got them from the more recent information that we have. At the same time I must also admit that Major Craigie is a very careful inquirer, and, no doubt, had chapter and verse for the particular statements which he made.

18,582. (*Mr. Little.*) You put in a note that the latest returns only refer to particular districts as a rule and not to a county average?—Yes. For instance, let us take Essex. In 1880-81 the rates given are 12*s.* to 13*s.*; in 1892 they are 11*s.* to 12*s.*, roughly speaking that is a fall of 10 per cent. It may not be quite so much as Major Craigie puts it, but it is in the same direction. There is not such a wide difference in the results.

18,583. You have noted that some of these returns of wages in 1893 refer only to particular districts, they all refer to selected districts and not to counties, do they not?—Not to the average of the whole county. That would be another explanation of the differences.

18,584. (*Mr. Everett.*) If you were able to give the figures of the wages being paid to-day you would have to show, as regards agricultural wages, a still lower figure than these tables show, would you not?—That depends, again, upon the evidence which has been brought before us. I think in a good many cases we have had statements made that there has not been any great reduction of late years—in one or two cases we have had statements that there has been, but how to make an average of all these will be rather difficult.

18,585. I happen to know that in Suffolk and Essex wages have gone down, on a great many farms, 2*s.* in his present year as compared with last year. Then, while we are on the subject of agricultural labour and labour generally, you have been questioned as to whether the fall in prices has affected employment, and you seemed disposed to think that the employment for labour had not been much less than it was in the times of the higher prices?—I speak of the employment for labour generally throughout the country.

Diminution of employment of labour.

18,586. Are you aware that a Commission was appointed in 1886 to inquire into the depression of trade and industry, and that in one of their reports they say that trade and industry are depressed, and that by this depression is meant a diminution and in some cases an absence of profit, with a corresponding diminution of employment for the labouring classes, that this dates from about 1875 and has proceeded with short intervals with tolerable uniformity. That would seem to show that in the opinion of that Royal Commission employ-

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ment had diminished?—I do not know whether that is the opinion of the Commission or not, but I should say if that opinion was expressed by them it was not at all supported by the evidence.

18,587. (*Mr. Chaplin.*) Do you mean the evidence given before that Commission?—Yes.

18,588. Have you read the evidence?—I have read the evidence—the greater part of it—some of it very carefully, and I am quite satisfied that in that form it is not at all exact.

18,589. (*Mr. Everett.*) You were asked about the cry of the unemployed, can you not remember the time when every available man was wanted in industry?—That has been so at different times. I recollect very well in 1872 and 1873 there was no possibility of getting labour in many industries where labourers were wanted, but you had much the same thing again in 1883, and you had much the same thing again in 1890 and 1891. There are always these fluctuations in trade, and you must be very careful when you compare two periods to find out whether the one period is a period of inflation and the other period is a period of depression. What you ought to compare always is one inflated period with another inflated period, and one period of depression with another period of depression, and then you compare like with like.

Imports of gold.

18,590. Then we pass to Table IX. (*see* Appendix , Table IX.), in which you show the excess of imports of gold into the United Kingdom over the exports. I observe that if instead of taking the division of years which you take we take the first 21 years terminating in 1878, that would show an annual excess of import into England in those years of over 4,000,000*l.*, and then the next ten years down to 1888 show an annual loss of about 908,000*l.*, which brings out perhaps even more strikingly than the table divided as you have divided it the great difference in the amount of gold that was in England in the different periods?—That would be so, but I think it is very important in these matters that you should have natural divisions to a large extent. The reason why you have this division at 1871 is that I began this table when I was writing in 1872, and it was at that point that I formed the opinion that circumstances were likely to change and that prices were likely to fall. Of course when I use the table afterwards to compare with my own opinion I am bound to take all the subsequent facts and not merely to make a selection of such as you are suggesting now. But even taking it quite fairly as I have done, and without any ulterior design, for I put the figures down to 1871, because I was writing in 1872, I think the facts are quite strong enough in the tables as they stand.

18,591. I may say that in my question I have no ulterior object other than to have the facts before us in their actual state. If you take the 21 years beginning with 1858 they show that on the average of those years we have had yearly an excess of gold of 4,000,000*l.* coming into this country, and in the following ten years, instead of an annual increase, we had an annual deficiency of 908,000*l.*?—I think you would also find if you were treating it in this manner that the first period then would include a period of part of those extraordinary gold demands, of which we have heard, and that you had that great increase going on in spite of one of the most important of those extraordinary demands. Then you would throw the whole effect of the pressure upon gold upon the demand which came after that, that is to say, upon the American demand simply.

Ratio between silver and gold.

18,592. Now we will pass to Table X. (*see* Appendix , Table X.), in which you show the ratio that has prevailed between silver and gold from the year 1501 down to the present time. I observe that the effect of the figures given there is to show that the ratio varied less in all the previous centuries taken together than it has done in the period since the monetary changes which began in 1872 or 1873 were initiated; that is so, is it not?—That is the history; but I think it also shows that there have been other times at which considerable changes took place as well as the most recent period.

18,593. Your figures, I imagine, have a substantial accuracy?—There is no doubt that the figures down to the present century are based mainly upon the Mint indentures of different countries; that is to say, the ratios which were established by the Mints; but we do not know that those were the market prices; the market prices may have changed much more.

18,594. You may know perhaps that the weighing of ancient coins of gold and silver, which circulated in Palestine, Phœnicia, Egypt, Persia, and Greece, show that a ratio was preserved in those coins between silver and gold for many hundred years B.C. of something like 1 to 12½ and 1 to 13?—I did not know that myself. I have not gone into that.

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18,595. I have a letter of Max Müller's before me in which he refers to the authorities on which this is established?—I should have great doubts about the inferences where the facts are so few and where we know so little of what actually happened in the dealing with these coins.

18,596. You would I think be disposed to admit frankly this; that we have seen in the last 20 years a much wider divergence between the two metals than has been witnessed in the whole period of recorded history?—I do not know. I happen to know of a much greater divergence which took place no doubt in a small corner of the world merely, but quite within my own recollection and quite before these 20 years; that was in Japan. When Japan was thrown open to commerce the ratio between silver and gold in Japan was 4 to 1, or something like that, and a very great commotion arose before the adjustment was made to the ratio between silver and gold throughout the world. That shows I think that the ratio was not so universal or so well established as Mr. Everett seems to think. There may have been many more exceptions than we know of.

18,597. Would that not also show that in a country where intercourse with the outside world was forbidden, the power of the Government to fix and preserve the ratio in that country was enormous?—But I am not aware that this was the ratio fixed by the Government at all. This was the practical ratio of the market so far as I know.

18,598. But you do not know that it was not fixed by the Government?—I do not know sufficient about it.

18,599. Of course if it was the ratio which prevailed in the country the taxes would be collected in that ratio and the Government sanction would be behind it?—What the monetary arrangements of the Government were and what they sanctioned I could not say; but that was the prevailing ratio and the moment it came in contact with the ratio prevailing elsewhere of course it disappeared.

Value of agricultural production in 1874 and 1891 compared.

18,600. Then in Tables XI. and XII. you show the annual loss on the money value of the agricultural production of the United Kingdom as between 1874 and 1891 (*see* Appendix , Tables XI., XII.)?—What the change would be, assuming the quantities of 1874 to be the same as the quantities of 1891. Of course that is an assumption, because we know that the cultivation was not the same at the two dates and it is only an assumption made for the convenience of bringing out what the average change in prices has been.

18,601. But such difference as would arise from that source would be in the direction of increasing still wider the divergence, would it not?—That is my impression that the nature of agriculture in 1874 was such that the gross produce would be more relatively to the net produce than it is now.

18,602. Even taking the figures as you show them you show an annual loss in the money value of the agricultural production of the United Kingdom of over 76,000,000*l.* a year?—About 25 per cent. it comes to, I think.

18,603. Which is not far short, I think, of the whole revenue raised by taxation in this country leaving out the Post Office?—Not far short.

18,604. And that relates simply to the annual value of the produce, saying nothing about the capital value of the land which produces the produce?—That is only the annual value of the produce.

18,605. If you take the fall in the value of agricultural land besides, you would be landed on the whole, would you not, in a loss very nearly equal to the whole amount of the National Debt?—But I do not admit that this is a loss in that sense of the word; it is a transfer from one pocket to another. Somebody else gets the article cheaper in consequence of the difference in price.

18,606. But the owners of agricultural land and the cultivators of agricultural land have suffered this loss?—It makes a difference to them, undoubtedly, but we must not speak of it as a loss to the community.

18,607. It is nearly approaching in amount to the whole of the National Debt?—You must not speak of it as a loss to the community, and I infer from your speaking

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of the National Debt you are speaking of it as a loss to the community.

18,608. (*Mr. Lambert.*) Could you give us an estimate of what would be the loss to the agricultural community, taking into consideration the cheaper cost of the products that agriculturists have to buy?—I do not think I could put it in that way very easily; that would require a very elaborate computation, and this does not profess to be a very exact or elaborate statement at all. That would be a very difficult thing to do.

18,609. (*Mr. Elton.*) You would have to add the labourers' profit in buying cheaper food, too?—Yes.

18,610. (*Mr. Everett.*) Then coming to Table XII. (*see* Appendix , Table XII.), you have told us that the figures in that table showing the alteration in the annual assessment of land are based on Schedule B. I do not know whether you are aware that in my county, which, probably, is a fair sample, Suffolk, a great many farmers still pay under Schedule B. even where they have no income at all, because they do not keep accounts; so that Schedule B. does not fairly, I take it, represent the actual facts?—I think we may consider that at the present time the assessments shown here are much more than the rental paid.

Demand for gold since 1872.

18,611. Now, turning again to your very able and interesting essay on "Price and Incomes Compared," which you read in 1888, you tell us there that you predicted in 1873 that an era of falling prices was about to begin, and that you based that on the new demands for gold which were then foreseen; were those new demands known at the time. I think it was 1872 you said?—In 1872 we were quite certain about the German demand which actually had commenced. It commenced in 1871.

Demand for gold in the United States.

18,612. But you were not then aware, were you, of the demand that would arise in the United States?—The question of the resumption of specie payments in the United States had begun to be considered at that time, and we also assumed then that the resumption of specie payments would be in gold as the United States had practically been a gold country when they were not an inconvertible paper country. Upon that footing it was foreseen that there would probably be a very great demand for gold for the United States as they had parted with an immense quantity during the time of the Civil War. They parted with the whole stock when the war commenced, and then they distributed over the world about 6,000,000*l.* to 7,000,000*l.* annually all during the war. Therefore we assumed that when that came to an end and specie payments were resumed the United States would make a very considerable demand for gold, as it afterwards did.

18,613. You were not aware that legislation was likely to take place in the United States; you had no inkling of that?—Yes, I was aware of that a little. I did not mention it, I see, in the paper, but I was quite aware of it in 1873, when the legislation did take place. It was a well known thing and very much discussed.

18,614. You are aware that until 1873 the Mint in the United States was equally open to gold and silver, and that both were equally legal tender?—No doubt the United States was in law a bi-metallic country all during the Civil War, and had been for many years before that, but practically it was a gold-using country just as England was, and the exchanges went on upon that footing.

18,615. That was simply because the ratio at their mint was rather a different one to the ratio in France, was it not?—The ratio was 16 to 1, and that seemed to be sufficient to give them gold. It had been so effective that, in order to obtain the silver money for small change which was really required, they resorted to the expedient of coining silver as token money about the year 1850, so as to give them what silver they really required upon that footing.

18,616. If they had not changed their law in 1873, when they resumed cash payments, they would have resumed them on the basis of the two metals, would they not?—What would have happened in that case of course it is somewhat difficult to follow out, but the legislation of 1873 was quite deliberate, and quite in view of the return to specie payments.

18,617. Are you aware that after the President had signed the law which changed their standard from a joint standard to a single gold standard he was unaware of the provisions contained in the statute?—That is quite possible, and yet it may be quite true that the statute was deliberately passed and was fully explained to all the people who happened to take an interest in it at the moment. That is quite within my own knowledge.

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18,618. Are you aware also that that is stoutly denied in the Legislature of the United States?—But it is no use denying it to anybody like myself, who knows the discussions of the time. I may give you as an instance that in the latter part of 1873, or in the early part of 1874, a very long letter appeared in the "Economist" from Mr. Frederick Hendricks, who is one of the ablest students of monetary matters that we have. In that letter he gives a full explanation of the United States legislation, and the objects of it, and sets out all the different enactments necessary to the understanding of it. The thing was not done in a corner at all, but everybody who cared to know, and who was interested in it, knew exactly what was being done.

18,619. You do not include the President in that?—It is quite possible that the President, who was a man much occupied with other matters, had not given his mind to it. I have no doubt sufficient explanations were put before him, but if he did not give his mind to it he might not recollect.

18,620. As soon as the American people found out what really had been done, did not there arise a great agitation in America?—I think the proper way would be to say, as soon as certain people, who were bimetallists, found out what was done, and as soon as the agitation of Mr. Cernuschi began to make itself felt generally, an agitation was stirred up resulting in the Bland Act of 1878. But that is all you can say. There was no general indignation amongst the American people, and there could not be because comparatively few understood anything about it.

18,621. I am afraid that belongs to monetary legislation generally. The key to a great deal that has happened is that the common people do not understand it and that the owners of money do. Turning from that for a moment, you still, I gather from your evidence to-day, quite adhere to the opinions which you have very emphatically stated in this Essay on the Movement of Prices and Wages, that "the recent "change from a high to a low level of prices is due to "a change in money of the nature or in the direction "of absolute contraction;" and again, "the inference "seems conclusive, therefore, that after 1873, the "alteration in the economic movement was in money, "and to this must be ascribed the change of prices "which has occurred?"—I think that is a fair statement of what happened after 1873.

Changes in prices of commodities due to contraction of money.

18,622. And, again, "to put the matter into more "popular language, we might, perhaps, say that the "stationary or rather rising commodities between 1850 "and 1873, although commodities were increasing as "much as they have done since 1873, were maintained "by the continual additions to the stock and efficiency "of money. Since 1873 the movement of additions to "the stock which was a very pronounced one has been "arrested, if there has not been an actual withdrawal "from or diminution of stock uncompensated by an "increase in the efficiency of money. Consequently the "fall of prices since 1873 is explained by the check to "the previous movement when the matter is looked at "dynamically, and the periods are compared?"—I should like to say that if I was expressing that now, I should probably express it somewhat differently, and make it more clear, that when I speak of money I mean gold, the commodity which is the standard in which our prices are expressed; that there was greater pressure upon gold, the commodity, after 1873 than there was before then; and I should carefully avoid saying anything to imply that there was a difference in the currency of the two periods. I think it is very important to explain that, after the controversies which have been going on for some years.

18,623. You speak of standard when you speak of what affects price?—When I am speaking of things of that kind I am speaking of standard exclusively, and it does not follow that what is true of standard would be true of currency, which is sometimes spoken of as money.

18,624. You adhere probably to what you also stated in that same essay, that this change in the value of money "spells ruin to considerable classes" in the country?—At the time when it takes place it is very serious undoubtedly.

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18,625. And especially to the indebted classes and producing classes?—Yes; from my point of view the change took place a good many years ago, that is the greater part of it, and it has not been true of the state of trade during the last 10 or 12 years.

18,626. Is it not true that there has been wholesale ruin among the indebted classes and among the producing classes?—Not so much from the contraction of money in the last few years as in the period from 1872 to 1880. I think it is very important to keep in mind that these things produce the mischievous effects mainly at the very moment of transition, and that when once the transition is over, so far as the general trade is concerned, it does not very much matter what the scale of prices is.

18,627. I was speaking more particularly of agriculture with which this Commission deals; the agricultural ruin has been going on year by year as the change in the prices has been increasing, has it not?—In some agricultural prices that would be the case.

18,628. But speaking of them as a whole?—I think it would be very important to inquire what the different stages in the fall of agricultural prices in particular have been; I think there have been various ups and downs in prices since 1879.

18,629. On the whole the figures show that the movement has been downwards since 1879, do they not?—Not uniformly, not regularly, I think.

18,630. I know that, but as a whole?—I think this again is bringing up the discussion of evidence which has been before us. I think the evidence has been that for some years agriculture went on fairly well till a new turn of prices happened about two years ago.

18,631. You would not wish to run back from your statement that the change in prices caused by the alteration in the value of money "spelt ruin to classes"?—It spelt ruin to a good many people undoubtedly. There is no doubt of that.

18,632. Events have confirmed what you then anticipated?—Yes. How far people could have prevented it, knowing what was going to happen, I am not quite sure; but I think it would have affected a good many transactions if people had quite realised what was coming. My own impression is that many people in the City were better prepared for what happened than people in agricultural districts, or people who were not so familiar with these discussions.

18,633. And perhaps a good many agricultural people were ignorant of what was really being done, and of what would follow from it?—I should think very few knew anything. But I do not admit that it would not have been a right thing for the Americans to do what they did, even if they had foreseen a good many of the effects. It was better that they should have good money than that they should submit to all the inconveniences from which they had been suffering for a good many years before.

18,634. You say it was desirable that they should have good money; do you not recognise silver as being good money?—For myself I should have thought they would have done well, probably, if they had gone over to a silver standard instead of a gold standard, but that was for them to choose. It was important that they should have either the one or the other, and have good money.

Silver and gold as standard of commodities compared.

18,635. In this most able and interesting essay I notice that you point out that silver has proved itself a much more stable standard as measured by commodities than gold has?—As regards wholesale commodities. It is quite evident that silver has moved with the average of wholesale commodities much more closely than gold has done.

18,636. And during the most of the last 20 years, prices in countries where silver is the standard, instead of falling, have, if anything, moved a little up?—But that does not show that silver would have been a better standard for a country like England, that is a totally different question, because probably if we had had silver for a standard, and the prices of commodities had not fallen, we should have had a great rise in money wages and salaries, and difficulties of that kind to contend with.

18,637. (*Mr Chaplin.*) Are we to derive from that that you would consider the standard which is the most stable, the least good of the two for England?—But you cannot have a stable standard; that is my point of view.

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18,638. I did not say that there is greater and lesser stability, as is shown by what you have just told us. It is clear that the silver standard has been more stable than the gold standard?—For commodities alone, but not for wages.

18,639. Then do you mean to imply by the answer given just now to Mr. Everett that you prefer the less stable standard of the two for this country?—I think, on the whole, gold has been a better standard for this country than silver would have been, just as silver has been a better standard for India than gold would have been. But this is an illustration that you may have two standards diverging widely from each other, yet, as far as I can judge, the countries that have got the different standards have been better suited than if they had had the same ones.

18,640. You mean that you think on the whole gold is the better standard for this country, although it is a less stable standard than silver?—I do not think it is a less stable standard; that is just what I do not admit. It has been less stable measured by certain wholesale commodities, but it has been more stable measured by wages, and you must take the two things together.

18,641. (*Mr. Everett.*) Coming to that point, I understood you to express the opinion that in measuring the commodity, gold, the average wholesale prices of commodities was really a more accurate test than labour was?—I do not think I said that; "accurate" was not the phrase.

Gold and labour compared as measure of prices of commodities.

18,642. At any rate commodities and labour are two different things that you recognise?—They are two.

18,643. And labour is open to certain moral influences, is it not: you can affect the value of labour by combinations and strikes, and a general feeling that the working people ought to have a larger share of the produce than they have had? Those things enter to a certain extent into the value of labour more than they do into the value of commodities, do they not?—I do not think I can quite follow that; all I point out is that the two things are different, and if the one goes one way, the other goes another, and you cannot have anything to measure them by which will suit both; it is quite impossible.

18,644. But gold being a commodity would it not seem that you could more accurately measure the movements that take place in it by measuring it with a group of other commodities than by measuring it with labour into which what I might call moral considerations enter, it not being a pure commodity?—But practically you must have both. Gold must meet the transactions in both labour and commodities, and the standard whatever you have must be adapted to transactions in both.

Position of working classes.

18,645 Then with regard to the position of the working classes you rightly expressed the opinion that for those of them who are in employment to retain as good a position as they have now if the level of prices had kept up they would have had to have an increase of wages?—An increase of money wages.

18,646. Do you not think it conduces more to the happiness and contentment of a class to have their money wages raised than to receive an equivalent in the falling prices of what they buy with wages?—I do not think it is a material matter at all.

18,647. Do you not think their feelings are more gratified by an increase in their wages?—You mean to say that it produces a greater amount of happiness to have wages going up?

18,648. Yes?—Whether they really improve or not?

18,649. Yes?—I do not think that is a very material matter.

18,650. Do you not think that all people like to have their salaries heightened?—I do not think it is so material an element of human happiness as you seem to imagine from these questions.

Agitation in favour of change of currency.

18,651. You spoke of there being so much agitation in agriculture as compared with other trades; I was wondering whether you had not omitted to remember Lancashire and the great agitation that there has been there to have some change in the currency because of the great influence for evil which they imagine what has been done has had upon the cotton trade and their industries generally?—I do not think there has been so much real complaint in Lancashire as there has been in agricultural districts. The movement in regard to currency, it seems to me, is, if I may say so, very largely artificial and the result of an artificial agitation.

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18,652. It has excited sufficient interest in Lancashire, has it not, so that they have been willing to subscribe thousands and even tens of thousands of pounds to try and get the state of things altered?—Yes, but Lancashire as we know has quite lately subscribed 15 millions sterling for the Manchester Ship Canal.

18,653. Hoping to get the money back again as an investment?—If we measure the two things together evidently they attach infinite importance to the Canal and very little to the currency question.

18,654. Is it not the case that a candidate has very little chance at an election in Lancashire if he is not an advocate of a revision of the standard of the currency?—I am afraid that is a political question that I ought not to speak about.

Depression in railways and agriculture compared.

18,655. You spoke of railways not having suffered so much as agriculture; ought we not to take into consideration the fact that railways possess a monopoly?—I think not; it has been mainly due to the progressive character of the business; they have been doing more business, so that many things that were operating against them have been compensated by the increase of the business, and the result is that the dividends to the shareholders have not gone down so much as they otherwise would have done.

18,656. Still they do possess a monopoly, do they not?—They possess a practical monopoly to some extent qualified by many things.

18,657. Their effort to take care of their shareholders by heightening their charges has produced an enormous outcry among the trading classes, because of the railway companies trying to use that monopoly to save themselves at the expense of the trading community?—That may be so, but I do not think I can say that it is the monopoly which has enabled the railway companies to preserve their position.

Rise in wages means fall in rents.

18,658. Then I should like to call your attention to another question which I should be truly glad if you would help me to elucidate; you spoke of the better reward that labour obtains in agriculture now and that that necessarily implies less being left for the landlord. I would like to call your attention to this, and I think that your judgment of what we have heard at this table will agree with mine, that the agricultural districts where agricultural wages are highest are the districts in which rents are also highest, and the districts in which rents have fallen least and where the farmers have suffered least. How do you make those things agree with the opinion you expressed that a rise in wages necessarily means a fall in rents?—I do not see that there is any contradiction between them. It may be the case that wages as a rule are highest where rents are highest, and yet it may also be true that if wages increase from a given point, the increase is at the expense of the rent. There is no inconsistency between the two statements that I can see.

18,659. It struck me very much in the evidence before us that if you get into a district where wages are high you get into a district where rents are also high and where they have fallen less?—Still that would not alter the fact that an improvement of wages from a given point, the gross produce not increasing, must come out of the rent.

18,660. In the good times within my memory wages and rent both went up side by side?—Not the real wages and the real rent.

18,661. I am speaking in this case of money?—I am speaking of the produce which a labourer consumes, or its equivalent. If he gets more the landlord must get less, the gross produce not increasing.

Advantages of single and double standard compared.

18,662. Coming now to the question of standard, you would admit, I think, that the most stable standard that can be obtained is desirable; that it is one of the elements which is very valuable in a standard that you should have stability?—That it should be stable over very short periods is the condition of your having a standard at all, but I do not admit that it is desirable to have what is impossible; that is to say, a standard which is stable over long periods, because I do not think that is possible in the nature of things.

18,663. In human affairs the ideally perfect is often impossible of attainment, is it not?—But in this particular case the institution was a spontaneous thing in order that transactions between man and man, the daily transactions of life, should go on at all. It was absolutely indispensable that you should have money to enable them to go on at all. It was an extension of the use of money to think that you could have obligations extending over distant periods expressed in it, and the experience of mankind is that, although money is indispensable for the first purpose, it is quite impossible to put obligations over a long period into a money form with safety.

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18,664. The probable reason, I suppose, why gold and silver have been chosen as standards of value is because in the experience of mankind they differ less in value as compared with commodities than any other known article?—No; it was because they did not sensibly differ over short periods, because they were very portable, and because they were indestructible and had other advantages of that kind. But I do not think the element of their being suitable for obligations over a long period ever entered into the imaginations of men when money began to be used.

18,665. What are the main causes of the variation in value of a metal standard, that is, a standard of the precious metals, which would lead it to appreciate or depreciate?—I should say it would be like every other commodity known to mankind. The changes in the precious metals over long periods have simply been enormous; that is all one can say.

18,666. And they arise from differences of supply and from differences of demand, do they not?—And from both; they arise in all sorts of ways; but how can we tell all the things that operated upon the precious metals three or four centuries ago, for instance, during which there was an enormous fall in the value of silver.

Annual supply of gold and silver.

18,667. The joint annual supply of gold and silver is a much more constant quantity than the annual supply of either one metal alone, is it not?—I do not think we have sufficient evidence of that at all, and it would depend entirely over what periods you made the computation.

18,668. The whole periods known to mankind?—But over a large part of the period we have not very good evidence of the annual supply at all.

18,669. Those of which we have evidence?—I do not think you can say that.

18,670. There is a table, I think, in the Report of the Gold and Silver Commission which gives the annual supply of the two precious metals as far as known; that shows most conclusively that the joint annual product is a much more constant factor than the single product of either one metal alone?—A much more constant factor measured by the average of commodities?

18,671. No; by the metal itself—the quantity?—I think that is one of those statements which I could form no opinion upon until I examined it. Although it may be true over a very considerable period, yet it may not be true over short periods. There are all sorts of qualifications to be taken into account.

18,672. The point that I was wishing to come to was, are not the two metals in use together so far as regards annual production likely to be a more constant quantity than either one taken separately?—That may have happened for a great many years and for a great many centuries, but you would not know as a practical question whether it was going to happen in the next 20 years or not.

18,673. Is not the joint mass of silver and gold in the possession of mankind a very much larger mass than the mass of either metal separately, of course that is self-evident?—And if you added the mass of copper and the mass of tin you might have a very large mass indeed.

18,674. The annual addition of new finds of one metal to the joint mass of the two precious metals is a smaller matter, if you add it to the whole mass of the two metals put together than it would be if it came to only one of them; that is, the gold discoveries would have produced a much greater effect on the value of gold had they come to gold alone?—Take the other case of gold and silver discoveries simultaneously, which happened in my experience about 30 years ago.

18,675. The annual supply would bear a smaller relation to the joint mass?—No, the annual supply bore the same relation to the joint mass, because it was equally in gold and in silver, and you do not know beforehand what is going to happen.

18,676. But you do know, do you not, that the whole joint mass of the two is a bigger mass than the mass of one?—Surely that is an obvious arithmetical statement

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18,677. And a large addition of silver, for instance, would have a less effect spread over the whole joint mass?—If you could spread it over the joint mass; that would raise the other question whether you could do so or not.

Effect of an excess supply of gold and silver compared.

18,678. On the other hand, if the excess were in gold that again would have a less effect; the great gold discoveries were steadied in their effect, probably, by their coming to a joint mass?—I think not. I think there is no evidence of that as a matter of fact.

18,679. You are aware that many economists believed so, are you not?—I do not know any economists who have discussed it. As a matter of fact, I have seen a great many statements of general theory, but I have never seen a discussion of the actual facts. I have been engaged in a correspondence myself with one or two distinguished economists upon the facts, and I find that they really knew nothing about it.

18,680. (*Mr. Chaplin.*) I beg your pardon, no economists who had discussed what?—The actual effects of the gold discoveries and how they came to be used.

18,681. (*Mr. Everett.*) My point was that the gold discoveries were minimised in their effects by the fact that they came to the joint existing mass of gold and silver instead of coming to gold separated from silver?—I think there is no evidence of that

18,682. You have read, of course, the statement of Chevalier that the open Mint of France acted like a parachute?—But I am also acquainted with facts with which Chevalier could not be acquainted, and that is that the parachute operated to a very small extent indeed, as a matter of fact. About this very point Chevalier talked before the event about the great benefit that France was going to confer as a parachute, and about gold taking the place of silver, but as a matter of fact the whole amount of silver that France parted with in 20 years after the gold discoveries was something like 50 millions sterling, and that was the whole exchange between the two metals as far as one can judge that took place out of about 600 or 700 millions of production.

18,683. But the relative value of gold and silver in that time altered extremely little, did it not?—Not very much, but still as a matter of fact there was very little interchange.

Appreciation of gold.

18,684. I see I shall not be able to ask you all the questions I wanted to ask, but I do want to ask whether the appreciation which has taken place in gold is not mainly due to legislation?—I think not. I think legislation always follows the necessities of communities to a very large extent. In this particular case the changes have not been so very great as compared with what was considered to be the permanent condition of things 30 years ago. For instance, the change in France which is spoken of as a change—the suspension of the coinage in 1874—was no doubt carried out deliberately in pursuance of a policy that was adopted many years before, so that you may say the system in France has not been changed since 1850; you had an actual bit of legislation in 1874, but that was no real change as the policy had been definitely adopted long before.

18,685. That is different to all that I have read. The great demand of gold for Germany was the result of legislation, was it not?—That was the result also of a change of circumstances.

Legislation in the United States.

18,686. And the closing of the Mint in the United States against the free coinage of silver was an act of legislation, was it not?—Do you mean the Act of 1873?

18,687. Yes?—But then that also was an Act which was simply confirming what had been the money of the United States for a long time before, and was not considered really to be a change from the use of money in the United States. I do not think it was a change in the sense that you are trying to make out.

18,688. It was a change of law, was it not?—It was a change of law, but not a change of practice.

18,689. Until that law was passed anyone in the world who had silver could carry that silver to the United States mint and have it coined into full legal tender coin at the ratio of 16 to 1?—That was so, but still the sort of general monetary constitution of the United States before 1873 was that it was a gold standard country practically, and all that the Act of 1873 was intended to do was to confirm what existed.

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18,690. How came it that the money chiefly in the United States before they abandoned cash payments was gold rather than silver; was it the choice of the people, or was it the ratio of the mint?—It was the choice of the people, in this way, that they were not satisfied with the monetary condition which had come about in 1836, when they had silver and no gold, and they made a change by which they were enabled to go from silver to gold under the bimetallic form.

18,691. Until 1836 the ratio was 15 to 1, was it not?—15 to 1, I believe.

18,692. And the movement of the metals in the United States has exactly followed the movement of the Mint law, has it not?—But the Mint law was changed deliberately for the purpose of acquiring the gold which they wanted, just as the ratios in bimetallic countries in the old times were continually changed in order to enable each country to get the metal that it wanted.

18,693. As a matter of fact the metals have followed the Mint law in past experience?—And the Mint law follows the wish of the people as to what metal they mean to have.

18,694. But the wish of the people as against the Mint law is powerless, is it not—the Mint law is the mightier of the two?—I do not think you can even say that; sometimes a community can take to a particular metal without a Mint law just as we did in this country.

18,695. Did not Sir Isaac Newton in 1717 advise the altering of the Mint indentures in order to keep both the precious metals circulating?—I do not think the Mint indentures were altered as a matter of fact.

Mint ratio and actual ratio compared.

18,696. I do not know whether I use the right technical term, but he advised the different estimation by the Government of gold and silver?—Yes, there was some change of that kind, but the estimation by which the money passed current was really slightly different, I think, from what he advised—that it was not to be above a certain point. The Mint ratio in England was quite different from the actual ratio between gold and silver for a great many years.

18,697. When that was so the gold or the silver, whichever it paid the purpose of the bullion merchants to take away, was moved out of the country?—Practically so. From about 1697 England was a gold standard country to all intents and purposes and deliberately so; there was no intention to have silver.

18,698. It was in 1717 that Sir Isaac Newton was consulted, was it not?—Yes, that was so, because it was found that they did not seem to have enough silver. But they never made any change by which the silver was called back. There was hardly any coinage of silver all through last century down to 1816, and on the only occasion when it was likely that silver in any quantity was going to be brought to the Mint, I think in 1798, a law was passed at the moment forbidding the presentation of silver to the Mint for coinage.

Gold in England in 1816.

18,699. Was not the fact that gold was the most abundant coin in England in 1816 accounted for by just the very same reason which made gold the most abundant coin in the United States, when they coined at 16 to 1, and silver the most abundant coin when they coined at 15 to 1?—I think not, unless you recognise the fact that gold was deliberately chosen by the people in both cases as far as I can judge, and certain legislation was adopted for the purpose of giving them the gold.

18,700. Are you aware that the change made in 1816 was made practically without any discussion and that the name of the Act by which the change was made was an Act for establishing a new silver coinage?—I happen to have read the discussion myself. There was a good deal of discussion, and, as far as the establishment of a single standard was concerned there was absolute unanimity; the point was discussed a good deal and there was absolute unanimity. The only exception to the unanimity with which the Act was passed, was that one gentleman, I forget his name, a peer, was in favour of having silver for the standard. The object of the Act was adequately explained. There was a very good discussion upon it and the establishment of the single gold standard was made with absolute unanimity. I have read the discussion.

Stability of silver.

18,701. (*Mr. Elton.*) Can you tell me about the stability of silver as silver; is that connected with the fact that there is an absolute unlimited supply of silver to be dug out; is it not the large quantity of silver

which can be got at call which makes it more like an ordinary commodity—like beef or mutton and so on?—I do not know that you can say that.

18,702. Is that a reason which you give in your own mind for its being more like other commodities in stability?—I do not think I said it was more like other commodities.

18,703. You said it was more stable?—I said it had been over a certain period more stable measured by the average of other commodities, but that is not expressing an opinion as to whether it will be more stable in future or what the causes of its stability are.

18,704. That was not the reason you gave in your own mind for its being like that?—No, I should not like to go beyond the bare expression of what the fact has been.

18,705. (*Mr. Chaplin.*) Have you not formed an opinion as to why the fact is so?—Not altogether, but I think as the question has been put and the point has been mentioned it may be interesting to state that Ricardo at the beginning of the century, while in favour of a single standard, was for a good while I think (as is expressed in some of his writings) in favour of a single silver standard, yet before the resumption of specie payments he came round and he expressed his agreement with those who were in favour of a single gold standard. The reason he gave then for coming round to the opinion that gold was more suitable than silver as the single standard was that he anticipated a great fall in silver from the opening of the South American Mines. I believe Ricardo was substantially sound in his anticipation although many years elapsed before the production of those American mines became so enormously abundant as he anticipated.

18,706. (*Mr. Everett.*) The near facts were exactly the other way were they not?—There was an interval in which gold became abundant; but the reason why Ricardo changed from a silver to a gold standard was that he expected silver would become less valuable.

18,707. (*Mr. Elton.*) I was going to suggest that there was a scarcity of silver, such a scarcity partly owing to Potosi being worked out perhaps, but there was a scarcity which led people to favour the notion of a gold standard; then they saw there was a lot of silver in Mexico at any rate, and they began to see that it would not be so sensitive a standard as gold?—I do not think the thing had been worked out very carefully by many people who studied these subjects, they were not in possession of the statistical information that we have now.

18,708. Their minds might have moved to the facts though they might not have formulated them?—A mind like Ricardo's always forms its opinion upon some data; he never expressed an opinion at random you may be quite sure.

18,709. He would follow the facts though he might no have formulated them?—Yes.

Fluctuations in prices of commodities and wheat compared.

18,710. I want now to ask you a question about the curve on the diagram on the wall. I see in 1842–43 the price point is on the line 90, and in 1892 it is down to the line 70; is it within your knowledge that though that is the average price the fluctuations in price were enormous in 1842–43, the difference between the rise and fall say in the price of wheat was very great, so great as to be a serious inconvenience?—I have an impression that all the time from 1830 to 1850 was a time of great fluctuations.

18,711. I dare say you have read the discussions about the time of the passing of the corn law legislation and you will recollect how the farmers complained of the fluctuations of wheat which made the preservation of the Corn Laws in the opinion of some of them not very important?—I know that the fluctuations in agricultural products were very considerable.

18,712. That is the main point, at any rate?—I think Cobden mentions it in a good many of his addresses to farmers which were very popular then.

18,713. Yes, and you can read it in the debates on the Corn Laws?—Yes.

18,714. Now we are at much the same point; allowing for the change in the purchasing power, allowing that there has been a rise in the quantity of what you get for a sovereign, we are at about the same point of material benefit as we were in 1842–43?—Relatively allowing for the increased purchasing power of money.

18,715. I make another allowance because our prices do not jump up and down so violently as to make it impossible to continue business, as they did very often in the earlier period?—I think, on the whole, the tendency of modern arrangements is to diminish the fluctuations of prices from year to year.

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18,716. In using curves like that, we must take into account things that could not be represented there, like stability of prices and fluctuation of prices, must we not?—That could not be shown in a curve; you mean over short periods?

18,717. Yes, periods like 40 or 50 years?—That would not be shown in a curve like that.

18,718. You could not show it by such a diagram?—No.

18,719. How do you account for the great fall and depression in a place like the extreme Western States of America; do you account for it there by the competition of other countries, although there is no initial expense, such as large sums to pay for rent, tithes, and so on?—I think partly the competition of other countries, and partly the excessive extent of the cultivation in the far West itself. You might have had too many people going on to the land for them all to be able to sell their surplus produce profitably.

18,720. Otherwise we get into the difficulty that the old country says it is pulled down because the new country does it, and the new country says it is pulled down because the old country does it; they cannot both be true?—They may both be true to some extent.

18,721. You mean they may be true for other reasons?—Yes, that may be so.

18,722. Can you tell us whether you consider the Indian labourers' difficulty that we used to hear so much about has come to an end? I will put it very shortly, because of the time; the Indian labourer used to take his wages without allowing for any difference in the price of silver having fallen, and, therefore, the man who paid a great number of three-halfpenny wages was able to make a very large profit, and to undersell the farmer in England?—I think that that may have been to the advantage of the man who had Indian wheat to sell, as far as it went, but I do not think that that would be the thing which regulated the price of wheat on the London market, because although the Indian man could sell for less, he was not going to sell for less than he would have done before, although he could afford to do so. If he could get a better price he was still going to stick out for a better price. I believe that the price is absolutely regulated by the supply and the demand upon the London market.

18,723. In fact, there would be a certain amount of human nature in the vendor of the wheat as well as in the labourer at the other end of the scale?—I think so.

18,724. One would be lazy and the other competitive?—I think so.

18,725. (*Mr. Chaplin.*) Do I understand you that as between the Indian grower on the one hand and the English on the other, you do consider that it gives to the Indian an advantage?—That it enables him to make a greater profit relatively?

Effect of wages of labour on rent.

18,726. Yes?—That I admit. What I was disputing was whether it enabled him to settle the price.

18,727. (*Mr. Elton.*) Of course. I was only trying to get a clear fact without leading to any opinion one way or the other. As to the variation of wages I have a question: The variation of wages is not a correlative, I take it, from your answers to a fall in rent?—No; they go together to some extent, and the rise in real wages accounts to some extent for the fall in rent, but they are not proportioned one to the other.

18,728. I notice in the part of the country where I live for the most part that in what we are all agreed about—these figures—the wages in Somerset have gone back to say the 1842–43 standard, but the wages in the adjoining county are two or three shillings at least more, they have not gone back in proportion; and yet according to the general opinion the fall in the Western counties is pretty uniform all over the place. I suppose the real answer to that sort of puzzle would be that rents do not fall regularly with the price of wages, but that wages are affected by a great number of local circumstances which may have strange local effects?—I think that must be so.

18,729. As, for instance, in an agricultural district many miles large, the wages might fall back, and they

might be prevented from falling back if they were near Plymouth or some large town, that is to say, the fall is marked by the proximity of the town keeping wages up?—I think that would be so. We must always beware of reasoning too finely in particular cases, and we must look out for local differences.

Ratio of silver to gold.

18,730. The facts are singular, but I think they could be accounted for in those ways. Could you tell me where the table giving the ratio of silver to gold is taken from—what authority it represents?—For the earlier years it is taken from Soetbeer, but I may say that I have sufficient knowledge of the subject to know that for the earlier dates which you have got there the ratios are those of the mints, and that they are not actually market ratios in the sense in which we have been getting the ratio of gold and silver of late years.

18,731. I see that gold was 10·75 to one at 1 time, but gold was found before silver in great quantities, I think—the silver came in in large quantities after a great quantity of gold had come?—I think for a considerable part of that period there was comparatively little gold. I know that before 1500 there was comparatively little gold used, the money being silver, but in the middle of the 17th century there were very considerable arrivals of gold beginning. The gold came from the Guinea Coast, that was the first thing that was noticed.

18,732. In the 17th century?—In the middle of the 17th century; there were considerable quantities of gold which were found to be coming from the Guinea Coast, and that was the origin of the expression of guineas.

18,733. It came before that time?—I did not know.

18,734. (*Mr. Everett.*) Guineas were started in Charles II.'s time?—That was the middle of the 17th century.

Fluctuations in prices and rents in the 16th century.

18,735. (*Mr. Elton.*) The gold had come a long time before, but the Dutch had prevented our people from going there. What I was going to ask was this question in order to lay the foundation for another inquiry: Have you considered the discussions which took place about the tremendous changes in prices and rise in rents, and then afterwards fall in rents in the 16th century owing to the introduction of silver from America?—Do you refer to Bishop Fleetwood's Chronicon Preciosum, and books of that kind?

18,736. Many of the facts are in that. Then there is the celebrated statement of Bishop Latimer, and there is an Elizabethan tract which gives a dialogue between a knight, a husbandman, and a trader?—They were occupied at that time, I think, with the great fall in the value of money which had taken place. The purchasing power of money over two centuries seemed to have diminished enormously.

18,737. I think Latimer said rents had gone up four times?—That was so.

18,738. Then, in Elizabeth's time there was a terrible reaction, as they said—a great depression?—I have not followed the history very carefully.

18,739. You know there were these ups and downs?—I know there were these ups and downs.

18,740. Do you think it might be worth while for someone to look into that matter and investigate it a little more carefully?—I think people who are providing for a generation or two ahead, making endowments and things of that kind, should consider these matters very particularly.

18,741. You do not think we should find that the exact depression which we have met to consider might be usefully illustrated by the previous depressions?—I think they all bear upon each other.

Effect of bi-metallic system on prices.

18,742. (*Mr. Chaplin.*) Supposing that the bi-metallic system was re-adopted by the leading nations, say, at the old ratio, what is your impression as to the effect that that would have upon prices?—If the Governments were to agree upon the ratio and to pass the necessary legislation, and if the different communities were to act upon the legislation, which it seems to me is a doubtful matter, then silver would become the sole standard of money throughout the world and all the prices would be silver prices.

18,743. There is a great divergence at present between gold prices and silver prices, is that not so?—If the Governments were to agree as you propose you would after that have no gold prices at all, they would all be silver prices, and gold would be quoted in silver just like any other article.

18,744. There is a great divergence at present between gold and silver prices, is there not?—That is to say, they have diverged from what they were 20 years ago.

18,745. Silver prices have remained practically the same, and gold prices have fallen very considerably?—As compared with 20 or 25 years ago.

18,746. Then the effect of such a policy as I have suggested would be to go back substantially to the old prices?—The effect would be that people would pay what are practically now gold debts with silver at a better ratio than the market gives them, which would be a very good thing for those that have to pay the debts.

18,747. As good a thing for those who have got to pay debts as it has been a bad thing for those under the present *regime*?—Only the number of people who have to pay old debts is comparatively a small matter, and you would change not only the payment of all debts, but all transactions of shorter date between man and man, which would be a great interruption to business, and one of the most mischievous things that could possibly be done.

18,748. That I can quite understand is your opinion, but without entering into these questions, the effect of the suggestion I have submitted to you, I understand, would be practically to restore the positions as regards prices compared with 20 years ago?—Subject to the very important "ifs" which I have mentioned.

18,749. (*Mr. Everett.*) When you wrote this essay on prices and incomes, you rather confidently expressed the opinion that the fall in prices would continue, and very likely continue for another generation, did you not?—I was extremely doubtful when I wrote that about what the effects of the South African discoveries would be. That was practically written six years ago, and a good deal has happened since then.

Adjourned till Thursday next at 12 o'clock.

Thirty-fourth Day.

Thursday, 3rd May 1894.

PRESENT:

THE RIGHT HON. GEORGE JOHN SHAW-LEFEVRE, M.P., IN THE CHAIR.

Viscount COBHAM.
The Right Hon. HENRY CHAPLIN, M.P.
Sir ROBERT NIGEL FITZHARDINGE KINGSCOTE, K.C.B.
ROBERT GIFFEN, Esq., C.B.
Captain OWEN THOMAS.
FRANCIS ALLSTON CHANNING, Esq., M.P.
JOHN CLAY, Esq.
CORNELIUS NEALE DALTON, Esq., C.B.
ROBERT LACEY EVERETT, Esq., M.P.
WILLIAM CUTLACK LITTLE, Esq.

HERBERT LYON, Esq., *Secretary*.
R. F. CRAWFORD, Esq., *Assistant Secretary*.

Mr. R. L. Everett, M.P. — 3 May 1894.

Mr. ROBERT LACEY EVERETT, M.P. (a member of the Commission), examined.

18,750. (*Mr. Chaplin.*) I believe you are a member for the Woodbridge Division of Suffolk?—Yes.

18,751. You occupy land of your own, I think, which has been farmed by your predecessors for a great number of years?—That is so.

18,752. Have you some connexion with the Ipswich Farmers' Club and the East Suffolk Chamber of Agriculture?—During all the time the Ipswich Farmers' Club was in existence separately I was Secretary, and when it was merged into the East Suffolk Chamber of Agriculture I filled for some years the same office there.

18,753. You stood as a Liberal Farmers' candidate in 1880, I think?—That was so, and I was only defeated by 114 votes.

18,754. And you have been returned since?—Yes, in 1885 after the new franchise; I was beaten in 1886 and returned again in 1892.

Particulars of his own farm.

18,755. Can you tell us how much land you farm, and what is the character of your farm?—I farm about 374 acres, which is all good mixed soil land quite close to the flourishing town of Ipswich.

18,756. How long have you been farming that?—Since some time in the sixties.

18,757. What has been the result of your experience upon that farm?—Down till 1879 I had made on the average 10 per cent. on my capital employed as a farmer and 4 per cent. as landlord, but since then I have lost money in quite as many years as I have gained.

18,758. You have lost as much money, do you say, as you have gained? Do you mean that you have lost part of your capital?—Yes, I have lost part of my capital as a farmer, and, of course, a great deal of my capital as the owner of the farm.

18,759. Since 1879 have you paid any interest on the capital embarked in the cultivation of the farm?—Perhaps a trifle, but I have had no reward for myself, and I have not had 4 per cent. for my money as owner.

18,760. You have not made 4 per cent. on your money, and you have lost some of your capital since 1879?—That is so.

18,761. (*Mr. Giffen.*) Have you received any interest on your capital as owner?—Yes.

18,762. That is to say, you have paid yourself some rent?—Yes.

18,763. (*Mr. Chaplin.*) How much per acre have you paid yourself in rent?—I should think since 1879 it would be about 30*s.* an acre.

18,764. Then your position since 1879, I understand, is this: that after paying your rent you have not made so much as 4 per cent. interest, and you have lost some of your capital?—That is so.

18,765. (*Mr. Clay.*) In 1879, when the bad times came, what did you assess yourself at as rent?—I think I put my rent then from something over 2*l.* down to 30*s.*

18,766. Did you pay rates on that 30*s.*?—Yes.

18,767. (*Chairman.*) What have you been assessed at lately?—I think about 30*s.* an acre.

18,768. (*Mr. Chaplin.*) Could you have let your farm well prior to 1879?—I should have had any number of applications if it had been known that it would be in the market; at 3*l.* an acre I could have let it quite easily.

18,769. I suppose it is a good farm, and in a good condition?—Yes, and in a good situation.

18,770. What would be the position now if you had a wish to let it?—I should have much greater difficulty in making 30*s.* an acre now than I should have had then in making 3*l.*

18,771. Is it still in good condition?—Yes, it is clean and in a good state.

Falling in letting and selling value of land in Suffolk.

18,772. Is that your experience generally of farms in the county of Suffolk?—Most farms have fallen in value much more than mine, mine being saved partly by its good quality and partly by its close neighbourhood to Ipswich. When you get a little way from a growing town the depréciation in the value of land is something perfectly awful in Suffolk, both its letting depreciation and its saleable depreciation, the latter being greater than the former.

18,773. What is the depreciation from the letting point of view? what is the depreciation in rent as a rule?—I should put it at 50 per cent. as a whole, varying from a little less than that in very good farms favourably situated to enormously more than that in anything that is inferior whether very light or very heavy.

18,774. Can you say what is the maximum fall of rents that has occurred in Suffolk?—I think there are many instances where it has fallen as much as 80 per cent.

18,775. Are there any instances of land which has gone out of cultivation altogether and which pays no rent at all, but which used to pay rent?—There are a few cases, and a great deal of land the landowners have kept in their own hands rather than let it for nothing.

18,776. What has been the fall in the selling value of the land?—I feel confident that on the million acres of agricultural land in Suffolk the selling value has declined fully 20*l.* an acre—more than that, I think, but quite 20*l.* an acre.

18,777. From what?—From 40*l.* or 45*l.* I should think, probably.

18,778. Then in the selling value it has not fallen quite 50 per cent.?—I think it has.

18,779. Is there anything of a market for purely agricultural land at all, land I mean which possesses no attractions for residential purposes?—Hardly any; it is much more difficult to sell land of that kind at 10*l.* or 15*l.* an acre now than it used to be at 45*l.* an acre. We had a perfectly ready market at 45*l.* an acre down till 1879.

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18,780. In the case, for instance, of a forced sale would land of the character that you are describing be saleable at all, and if it was saleable what do you imagine it would make?—There have been several cases of farms sold for less than 10*l.* an acre, and there have been a few cases where the freehold of the farm has only made about one or two years of the rent that was paid for it in the good times.

18,781. There are instances of land since 1879 having been sold, I understand you, for two years' purchase of what would have been the rent previous to 1879?—That is so.

Condition of farmers in Suffolk.

18,782. What, under all these circumstances, has been the condition of the farmers?—Steadily going into bankruptcy and ruin in the case of those who have had no other resource than their farms.

18,783. Are you speaking now of men who previously did well?—Yes; I think, taking the farmers of Suffolk as a whole, there was not a more capable, frugal, industrious, worthy class of men, and the bankruptcy of a farmer in all my early experience was a thing quite unknown. Now that same class of men have seen the great bulk of their savings, or their fathers' savings swept away, and with all their industry and pinching and care they are unable to preserve themselves from a very near approach to bankruptcy.

18,784. Are there instances in Suffolk of men who have bought their farms in former days?—I am sorry to say there are a great many. We had a great many yeomen farmers, and in the intense competition for land in the good times a great many men took that course of making themselves, as they thought, independent. They bought land and mortgaged it, and I should think three-quarters of that class of men are now stripped of every penny they had.

Change in value of money cause of depression.

18,785. What do you attribute this unfortunate state of things to?—My firm conviction, grounded on careful study of all the circumstances, is that it is due almost entirely to a change in the value of money, brought about by recent legislation.

18,786. I think you have given a good deal of attention to that subject?—I have given a great deal of attention to it for a good many years past.

18,787. (*Mr. Giffen.*) Might I ask when you began paying attention to this subject?—I think it was an article by Professor Jevons in "The Contemporary," or somewhere that first opened my eyes. He began with the remark something like this:—"What is price?" and then went on to point out that in England the price is gold.

18,788. What date was that?—I think that was early in the eighties. He pointed out that if anything happened to gold (which was a commodity like anything else), to raise its value, the necessary effect of that would be to cause a fall in prices. Before then I had lived altogether thoughtless of the fact that money changed materially in value from time to time, though I remember hearing my grandfather speaking of a time earlier in the century, when farms went begging, and he used to tell me that it had something to do with the return to cash payments, but he did not understand the philosophy or the history of it much. I have since found out that that was a perfectly true statement.

18,789. (*Mr. Chaplin.*) When you say that you consider the ruin of these farmers is almost entirely due to the change in the value of money brought about by recent legislation, you were referring, I suppose, to the effect upon them of what is known as the appreciation of gold?—That is so. It is the change in prices that has wrought the whole of the ruin.

18,790. Are you of opinion that that change is partly owing to the influence on prices of something that has happened to money itself?—Certainly, because money is half of every bargain that a farmer makes. When he sells his corn or his wool or his stock, in effect he barters it for money, which in England is gold: and consequently if anything happens to the money half of the barter, to greatly raise its value, it affects the terms of the barter just as much as if something had happened to the produce half of the barter.

18,791. What does the value of this money depend upon in your judgment?—It is ruled entirely by supply and demand, just the same as the value of anything else is, so far as I can understand the facts.

Relation of prices to supply of money.

18,792. In this case you hold that this appreciation of gold has been caused by increased demands upon the gold, following upon this monetary legislation?—And coincident with a diminution of the supply. The two things occurred simultaneously and moved on, abreast of one another. I should like, if the Commission would allow me, to cite briefly a few authorities as to the fact that the quantity of money in circulation is the great factor in determining the general level of prices. Adam Smith said, "The quantity of goods or labour which a "given quantity of gold or silver will exchange for "depends always upon the fertility or barrenness of the "mines which happen to be known about the time "when such exchanges are made." John Stuart Mill said, "That an increase of the quantity of money raises "prices, and a diminution lowers them is the most "elementary proposition in the theory of currency, "and without it we should have no key to any of the "others." John Locke said, "The lessening of the "quantity of money makes an equal quantity of it "exchange for a larger quantity of any other thing." Hume said, "It is the proportion between the circulat- "ing money and the commodities in the market which "determines the price," and Ricardo said, "That "commodities rise or fall in price in proportion to the "increase or diminution of money. I assume, as a fact, "that is incontrovertible." Then I have here two or three very short extracts from the report of the famous Bullion Committee which sat in 1810, and was presided over by Francis Horner, and on which William Huskisson, Henry Thornton, and Mr. Peel, afterwards the great Sir Robert Peel, sat. In their report they said, "A diminution or increase in the general supply of "gold will no doubt have a material effect on the price "of all other articles." Again, they said, "An in- "crease in the supply of the precious metals raises "prices all over the world," and they point out that the average amount of Bank of England notes in 1798 was 13,334,000*l.*; this is now coming to the period of inconvertible paper money, and in 1809 it had risen to 19,000,000, and country issues had increased in proportion. Then they further say, "The increase in the "general paper currency in 1809 was probably little "short of the amount which in any one year since the "discovery of America has been added to the circu- "lating medium of the whole of Europe," and so in their judgment accounted for the rise of prices which occurred at that time.

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18,793. Are you of opinion that the views of those authorities which you have quoted are borne out by the experience of agriculture in the past?—The history of agriculture is really one great illustration of the close connexion between the supply of money and prices, in my judgment. That is the result of my historical research, and of quotations from authorities of all kinds.

18,794. I observe that in your brief you refer to the discovery of America, and the mines of Potosi; are you able to give us later illustrations than those, without going back quite so far in history as the time of the mines of Potosi, or would you desire to say anything upon that point?—I should like to say generally in regard to that, that it is an indisputable fact, recognised by all economists and historians, that following on the discovery of America, and the pouring of large quantities of the precious metals into Europe, especially after the opening of the mines of Potosi, prices through the next century and a half, or two centuries, moved upwards until they had attained to between four times and six times the prices, which had prevailed for a long period before that great addition to the precious metals. When America was discovered, which was in 1492, at the close of the 15th century, it is estimated that the monetary stock of Europe did not exceed 34 millions, while the annual produce of the mines was under 100,000*l.* I take that from Jacob's book on the precious metals. The average price of wheat then in England, in the 12 years, 1551 to 1562, was 8*s.* 10*d.* per quarter of our money, and the price of a good bullock was about 30*s.* That was half a century after the discovery of America, but about the time that the great silver mines of Potosi were discovered. They were discovered in the middle of the fifteen hundreds. Then from the plunder of America, and after 1545, from the newly-discovered mines of Potosi, an immense quantity of the precious metals came to Europe. After the discovery of the mines of Potosi, the annual supply rose to over two millions, or 20 times the supply at the commencement of the century. Before the close of the century the monetary stock of Europe had increased fivefold, and all prices were quadrupled. I take that from Jacobs' too. As supplies continued to increase through the next two centuries right down to 1800, and an enormous impulse was given to production from 1600 to

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1700, improvements in agriculture went on so fast that the population of these islands was doubled—so Thorold Rogers says. And as the rise of prices proceeded, debts and taxes grew lighter, and it is conceded, I think, universally by historians and economists, that this great increase of the precious metals acted as a very great stimulus to industry throughout that long period.

18,795. (*Mr. Giffen.*) But you do not give us the exact dates and steps of the rise in prices?—I think we are safer on the broad ground than we are in the detail of a few years. I have one more quotation bearing on it. This is from Thorold Rogers' History of Agriculture and Prices. He says: "On an average wheat rose "134 per cent. between 1541 and 1583 over the prices "which had prevailed on an average of two and a half "centuries before, and between 1583 and 1702, 209 "per cent. more." I have here a quotation from Alison, from his History of Europe taken from the volume dealing with the period between 1815 and the rise of the second Napoleon, which is one of the most eloquent descriptions I know of of the effect of the great increase of the precious metals. He says: "The two greatest events that have occurred in "the history of mankind have been directly brought "about by a contraction and, on the other hand, an "expansion of the circulating medium of society. "The fall of the Roman Empire, so long ascribed, in "ignorance, to slavery, heathenism, and moral cor-"ruption, was in reality brought about by a decline in "the silver and gold mines of Spain and Greece. And, "as if Providence had intended to reveal in the clearest "manner the influence of this mighty agent on human "affairs, the resurrection of mankind from the ruin "which those causes had produced was owing to a "directly opposite set of agencies being put in opera-"tion. Columbus led the way in the career of re-"novation; when he spread his sails across the Atlantic "he bore mankind and its fortunes in his barque. The "annual supply of the precious metals for the use of "the globe was tripled; before a century had expired "the prices of every species of produce were quad-"rupled. The weight of debt and taxes insensibly wore "off under the influence of that prodigious increase. "In the renovation of industry the relations of society "were changed, the weight of feudalism cast off, the "rights of man established. Among the many con-"curring causes which conspired to bring about this "mighty consummation, the most important, though "hitherto the least observed, was the discovery of "Mexico and Peru. If the circulating medium of the "globe had remained stationary, or declining, as it "was from 1815 to 1849, from the effects of the South "American revolution and from English legislation, "the necessary result must have been that it would "have become altogether inadequate to the wants of "man; and not only would industry have been every-"where cramped, but the price of produce would have "universally and constantly fallen. Money would "have every day become more valuable; all other "articles measured in money less so; debt and taxes "would have been constantly increasing in weight and "oppression. The fate which crushed Rome in ancient, "and has all but crushed Great Britain in modern, "times would have been that of the whole family of "mankind. All these evils have been entirely obviated, "and the opposite set of blessings introduced, by the "opening of the great treasures of Nature in California "and Australia."

18,796. (*Mr. Chaplin.*) Have you anything to say upon the same subject at later periods?—Before I pass from that I should just like to say that, following on those great discoveries, there came an era of enormous national prosperity first in Spain, then in France, and then in England. As the precious metals kept spreading from country to country wherever the gold and silver flood came it brought fertility and a quickening of industry and a blessing to mankind in its course. The next great agricultural era in modern times, which it strikes me as important that the Commission should think upon, is the suspension of cash payments by this country in 1797.

Effect on prices of suspension of cash payments.

18,797. What, in your view, was the effect of the suspension of cash payments upon the agricultural condition?—I might say that when cash payments were suspended the paper money became the legal standard. Paper money was really a promise to pay the precious metals, but that was held in suspension, and the paper was made full legal tender; and as the notes were issued plentifully prices rose very high in England, and there was unparalleled prosperity in agriculture in this country down to 1814.

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18,798. That prosperity resulting, in your opinion, from an abundant supply of money?—Yes, which brought an increase of prices, which led to enclosures and the spread of cultivation, and gave an enormous stimulus to agricultural and other industries.

18,799. In those days did all the different classes connected with agriculture share in this improved condition?—I think it went more to the cultivator of the soil and to the owner of the soil than it did to the labourer. The labourer's employment increased, but his wages rather haltingly followed the upward movement of prices, I think. But employment was very abundant for the labourer through all those early years of the century.

18,800. Then there was a return to cash payments, I think, in the year 1819?—Yes, it was expected in 1815, because the law was that so many months after the conclusion of a general peace they were to be resumed, and after the conclusion of peace, after the battle of Waterloo, the apprehension of a near resuming of cash payments led to very great agricultural trouble; it led to a great fall of prices in 1816. Then the legislature suspended for two years further the return to cash payments, and immediately the agricultural pulse bounded into new life again through the years 1817 and 1818, but in 1819 the Act was actually passed to return to cash payments.

18,801. I gather that what you mean is this, that the effect of a threat of a return to cash payments in 1815 caused a fall in prices and general agricultural distress?—That was so.

18,802. That that distress, becoming very severe, the execution of that threat was postponed for two years; is that so?—That is so.

18,803. That was followed again by a period of comparative prosperity?—That was so in 1817 and 1818.

18,804. Then the proposal was finally carried out in 1819; is that so?—That is so.

18,805. What followed upon that?—A very great distress. Perhaps the Commission would kindly allow me to read an extract or two. I should like to read a short quotation from Mr. Western, afterwards Lord Western, an eminent agricultural representative of Essex in those days.

18,806. Just let me ask you first what was the precise effect then of the resumption of cash payments upon the volume of money?—It caused a great reduction in the volume of money and in credit.

18,807. And that was followed by circumstances which I understand you propose to describe by reading an extract; is that so?—Yes. Mr. Western says—this was spoken in 1816—"Between two and three years ago "agriculture was in a flourishing and prosperous state, "and yet, within the short period which has since "elapsed, thousands have been already ruined, and "destruction seems to impend over the property of all "those whose capital is engaged in the cultivation of "the soil." He said that in the debates on agricultural distress in 1816, that was when the return to cash payments was only expected, and before it was deferred.

18,808. Can you tell us what was the fall in prices which was occasioned at that time by the expectation of the resumption of cash payments?—No, I cannot. Prices in those times varied from month to month in a most extraordinary way, so that the average return for the whole year does not give at all an adequate idea of what was passing at the time.

18,809. But the general effect, I understand you to maintain, was a considerable fall in agricultural prices?—Yes, and very great distress. Alison says, in regard to that, "The sudden contraction of the cur-"rency from the prospect of a speedy resumption of "cash payments then involved one-half of the farmers "and traders of the United Kingdom in bankruptcy." That is referring to 1816. Then the merchants and bankers of the city of London in May 1819 presented a petition to the Houses of Parliament, from which this is a quotation—it was presented when the return to cash payments was in contemplation: "Your peti-"tioners have reason to apprehend that measures are "in contemplation with reference to the resumption "of cash payments by the Bank of England, which, in "the humble opinion of your petitioners, will tend to "a forced, precipitate, and highly injurious contraction "of the currency of the country. That the conse-

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" quences of such a contraction will be, as your " petitioners humbly conceive, to add to the burden " of the public debt, greatly to increase the pressure of " the taxes, to lower the value of all landed and com- " mercial property, seriously to affect and embarrass " both public and private credit, to embarrass and " reduce all the operations of agriculture, manufacture, " and commerce, and to throw out of employment, as " in 1816, a great proportion of the industrious and " labouring classes of the community."

18,810. What you desire to convey to the Commission I understand, then, is this: that there was a great contraction of the volume of money caused by the legislation which was adopted at that time, and that that contraction was followed by a period of the very greatest distress?—That is so; all historians of those times concur in that.

Inquiry into condition of agriculture in 1821-22.

18,811. About that period and during those years there were a great number of inquiries, I think, into the condition of agriculture, were there not?—There were. The first committee of inquiry which I have been able to learn of in the century was held in 1821 and 1822. It was presided over by Sir Thomas Gooch, who was a representative of the same county that I come from, the county of Suffolk. I should like if the Committee would allow me, to read two or three extracts from their report. First, here is what Mr. Attwood, who was a member of the House of Commons, said—I do not exactly know where I cut this out, but I cut it out of some printed book on money which came in my way some time ago. He says this: " I remem- " ber in April 1821, that I was examined before the " Agricultural Committee of the House of Commons. " They told me openly and publicly that they had " passed a resolution that they would not inquire into " the currency part of the question."

18,812. Who is that you are quoting?—Mr. Attwood. He was a banker, I think, of Birmingham, but he was a very frequent speaker through all the debates on agricultural distress in the first quarter of the century.

18,813. (*Mr. Giffen.*) And a bimetallist, I believe?—Yes; I think he had some belief in paper money as well.

18,814. But he was a bimetallist?—Yes. I have looked up the Report, but I cannot find this in it, no doubt they told the reporter not to put that down, but this is his own account of what passed between him and them when they examined him. " They told me " openly and publicly that they had passed a resolution " that they would not inquire into the currency part " of the question, and that I must confine my observa- " tions to the agricultural part of it. ' Good God,' said " I, ' gentlemen, what are you? Are you not a Com- " ' mittee appointed by the House of Commons to " ' inquire into the cause of the distress of agricul- " ' ture?' ' Certainly,' said they. ' And what is the " ' distress of agriculture? Is it not the low price of " ' agricultural produce?' ' Undoubtedly,' said they. " I rejoined, ' Is there any other distress in agriculture, " ' except the low price of agricultural produce?' " ' Certainly not.' ' What is the low price of agricul- " ' tural produce? Is it not the small quantity of " ' money or currency which agricultural produce " ' commands in the market?' ' Most certainly it is.' " ' Why, then,' said I, ' do you mean to say that you " ' have passed a resolution declaring that you will " ' not inquire into the very subject which you are " ' expressly appointed to inquire into?' I could get " no further answer to this."

18,815. (*Mr. Chaplin.*) I presume, then we may suppose that you are of opinion that the Agricultural Commission of 1894 is adopting a more proper course than the Committee of 1821?—A very much wiser course, but I believe the Committee of 1821 had their hands tied by a Resolution of Parliament that they would not go back upon what they had done in 1819. The Committee of 1821 and 1822 made two or three reports and were unanimous in their opinion that it was the fall in prices which had caused the trouble. They said, as regards any hope of cure for it from the corn laws or from protection which was suggested by some witnesses: " The ruinously low prices of agri- " cultural produce at this moment cannot be ascribed " to any deficiency in the protecting power of the law, " protection cannot be carried further than monopoly." At that time under the corn laws passed in 1815 no corn was admitted into this country until the price had reached 80*s.* a quarter. Then they refer to the change in the value of money though they had agreed apparently not to recommend any alteration in regard to that. They say, "Your Committee, however, cannot " but ascribe a proportion of the depression in prices " . . . to the measures which the restoration of our " currency had rendered necessary . . . an effect " which has been aggravated . . . by the endeavours " of other countries to revert to a metallic currency " simultaneously with ourselves. They deeply lament " the derangement which the fluctuations of the last " 10 years in the value of the currency had occasioned " in all the transactions of life, together with the in- " dividual loss and suffering unavoidably produced by " the return to a fixed standard." They also said, " The " departure from our ancient standard in proportion as " it was prejudicial to all creditors of money and per- " sons dependent on fixed incomes "—that is the adoption of the paper money standard in 1797—" was a " benefit to the active capitals of the country. And " the restoration of the standard in 1819 has been in " its turn proportionately disadvantageous to the pro- " ductive classes of the community, and also attended " with embarrassment to the landowner having mort- " gages and fixed charges to meet, fixed when land " bore a higher value in reference to the impaired value " of money."

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18,816. Have you anything further that you wish to say with regard to the Committee of 1821?—No; they made two or three reports, as I have said, but nothing that they did took any effect to benefit agriculture.

Course of prices between 1822 and 1833.

18,817. After 1821 there was still a prolonged period of depression, I think?—There was a little check put to it in 1823. In 1822 prices fell so low that the producing classes of the country seemed on the brink of universal ruin. Then Parliament prolonged the life of the small notes which were to have come in then for 10 years more; I mean the inconvertible one pound and two pound notes. Parliament passed the Small Notes Act, and under the influence of that, agriculture looked up again for the next few years.

18,818. (*Mr. Giffen.*) Were the small notes inconvertible?—Yes, I believe so. Then in 1825 there was a frightful crash of banks, and frightened by that the legislature passed another law shortening the 10 years which they had fixed for the small notes to run, and ordering that no more stamps should be issued for small notes after 1826, and that such notes as were out should come in finally in 1829. As Alison very tersely puts it: "As the notes came in the people went out." About 1829 there ensued again a frightful agricultural and industrial depression, which was so bad that by 1832 when the great Reform Bill was passed the country was on the brink of revolution.

18,819. (*Mr. Chaplin.*) Then there was another Committee appointed upon the subject of agricultural depression, which was still very severe in 1833, I think?—That is so, and that Committee was presided over by Sir James Graham.

Committee on Agricultural Depression, 1833.

18,820. Can you give us any information as to the proceedings of that Committee, or of any report that they made?—Yes, they reported, and amongst other things that they said in their report was this: " With " deep regret we express the fear that the difficulties " referred to by the former Committee alone remain " unchanged." They said that the farmers' savings are gone, or greatly diminished; their credit failing, and their resources generally exhausted. They went on to say: "Less labour and capital are being applied " to the soil. Ancient corn lands, especially clay " lands, are going out of cultivation. This arises from " low prices and inadequate profit of cultivation." They agreed with the Committee of 1821 as to the effect of the currency changes, and referred to the decay of yeomen farmers, which they considered due to the fall in prices and to the altered value of money.

18,820*a*. Do I understand you that that Committee were agreed as to the effects of the currency?—Yes, this is from their report, which they, I think, were unanimous in. They quoted from the report of the Committee of 1821 their remarks as to the cruel effects of first the depreciation of money in the paper money era, and after of its appreciation when we returned to cash payments, and pleaded for the desirability of steadiness in price. They said: "Fresh experiments " in the value of money must affect the price of agri- " cultural produce, shake public confidence, and lead " to the derangement of all settled contracts, and they " ought, after past experience, to be viewed by the " legislature with peculiar caution."

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18,821. Did the Committee of 1833 make any recommendations in their report with a view to arrest the fall in prices?—No, I cannot find that they did. In the evidence laid before them the Act of 1819 was referred to again and again as, in the opinion of (I think I may say) the most competent witnesses—banking witnesses and most intelligent agricultural witnesses,—having been the main cause of the fall in prices and of the trouble, both agricultural and manufacturing. But they made no recommendation in regard to the money changes, because Parliament had again affirmed that it would not go back upon what it had done.

18,822. Then I understand you to say that the effect of their report was this—they attributed the distress at that time to changes which had been made in the currency, but they made no recommendation for their alteration because Parliament was pledged against any such action?—That is so.

18,823. Have you anything further to say with regard to the Committee of 1833?—No.

Committees on Agricultural Depression of 1836 and 1837.

18,824. Then there was another committee on agricultural depression appointed in 1836?—That is so. It was a most influential committee, and was presided over by Mr. Shaw Lefevre. It included Sir Robert Peel, Lord John Russell, Sir James Graham, Lord Stanley, and many other prominent statesmen. It took a great body of evidence, but it did not agree to a report. The Chairman prepared a report, but the Committee could not agree on it. The general effect of the testimony given before it was, that the distress continued to increase, and a good many of the witnesses examined before them, connected that distress with the continued low prices, and the low prices they directly connected with the return to cash payments. I have quotations from a number of them before me.

18,825. No report was agreed to, I understand, by this Committee, and no report was presented?—That is so.

18,826. Do you know for how long a period they sat?—No, I do not; but there is a very great bulk of evidence that was laid before them.

18,827. Are you in a position to say what was the character of that evidence?—I have several extracts here under my eye. John Langhorn, a banker of Berwick-on-Tweed, for instance, said, "No relief would "be afforded to the farmer, except through the re-"laxation of the currency. The distress of 1816 was "removed by increased issues."

18,828. (*Chairman.*) There being no report, I do not think we can take extracts from the evidence, as there may have been other evidence in an opposite direction?—Very good.

18,829. (*Mr. Channing.*) This evidence is printed, of course, so that we may refer to it if we wish?—Yes.

18,830. (*Mr. Chaplin.*) Are you in a position to say, from your acquaintance with this evidence, that, in your opinion, the drift of it would be to the effect that the depression was due to currency causes?—A great many of the most competent witnesses, such, for instance, as Mr. Baring, afterwards Lord Ashburton, Mr. Richard Spooner, a banker, Mr. Pattison, a Governor of the Bank of England, the Earl of Radnor, and Mr. E. S. Cayley, M.P. for Yorkshire, gave evidence to the effect that that was the key to the fall in prices and the difficulties.

18,831. But notwithstanding all this evidence, the Committee came to no understanding as to reform?—No.

18,832. And no report was made?—Of course, they could not report upon making any change in the monetary system, because Parliament had three times over affirmed that it would not go back on what it had done.

18,833. (*Chairman.*) Do you recollect that when the Committee was moved for there was read out by the clerks at the table a previous resolution of the House of Commons, I think in the previous session, on the subject of the currency, indicating therefore that the Committee was not to enquire into the question of the currency?—The method in those days seemed to have been: petitions came to the House of Commons bearing upon agricultural distress: then a Committee was appointed to which these petitions were referred.

18,834. I think it was the understanding on both sides that the Committee should not make any recommendations upon the subject of currency?—Yes.

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18,835. (*Mr. Giffen.*) But, as a matter of fact, a good deal of evidence about currency was given before that Committee of 1836?—That is so. Also in the debates in the first Parliament elected under the great Reform Bill, the subject was discussed on a motion of the member for Essex, I think, and the famous William Cobbett spoke upon it, and expressed a very strong opinion that the troubles of the country were owing to the change in the standard.

18,836. (*Mr. Chaplin.*) Did I understand you to say that on this Committee a report was prepared by the Chairman?—Yes,

18,837. Is there a record of it?—I think not; I have not discovered it in my researches.

18,838. Because that would be very interesting?—Yes, it would.

18,839. You are not able to say that there is such a report in existence?—No, I am not. I know that in those times, as now, there were two sides taken; there was a certain class of witnesses who were blind to the fact (if I may be permitted to use the expression) that changes in the value of money do affect prices; they were not able to see that. There was another class who had more direct connexion with money matters, who were very emphatic that it was the key that governed the general level of prices.

18,840. Then the Committee of 1836, having failed to come to any conclusion, a Committee was appointed in the following year on the same subject in the House of Lords?—That is so.

18,841. What occurred on that Committee?—That also did not report; but evidence to the same effect was laid plentifully before their Lordships.

18,842. Is the fact of these committees coming to no conclusion and making no reports to be attributed to this, that Parliament had determined not to alter the standard, and had made public its declaration?—I think that they could see no other measures within the competency of Parliament which in their opinion would have a material effect on agricultural conditions. They already enjoyed protection of a very extreme kind, if you can call it enjoying it. I imagine that is why they did not report.

18,843. Then am I right in this, that, assuming them to have agreed that alterations in the currency might prove to be the remedy, that remedy was not open to them, because of the attitude of Parliament?—That is distinctly so.

18,844. (*Chairman.*) Was it not also the fact that the depression was very much abated by the time the Committee came to the conclusion of its labours?—I think not. I think in 1833 they reported that it was decidedly worse than in 1821.

Statements made in 1830-35 as to effect of currency changes on prices.

18,845. But in 1836 what was the fact?—In 1836 and in 1837 the evidence is full of the distressed condition of the industry. I do not think there had been any abatement in the condition. I have before me a number of extracts from the speeches of great men both in the House of Lords and in the House of Commons made on agriculture during the period which we have had under review. For instance, Earl Stanhope said in 1830 in the House of Lords: "To what is the uni-"versal distress owing? It is to be ascribed to the "erroneous basis on which our currency has been placed "since 1819. Prices have not fallen in agricultural "produce only; the depression has been continuous "and universal ever since the Act of 1819 passed, and "especially since the suppression of small notes took "effect in the beginning of last year. Such a universal "and continued depression can be described only to "some cause pressing alike upon all branches of in-"dustry, and that cause is to be found in the enormous "contraction of the currency which has taken place." Sir James Graham, in 1820, on a motion to forbid the circulation of Scotch £1 notes in England, said: "The "gentlemen opposite had contrived to reduce the price "of corn lower than it had been since the Revolution. "The miracle was produced by a very simple process, "namely, that of tampering with the currency, from "which the landlord is sure to be the first to suffer. "The value of money was heavily increased, while all "contracts remained at their nominal amount. The "change bore down the amount of the landlord's re-"ceipt for his produce, while all the fixed charges "and incumbrances on his estate were increased. "He was forced to pay in a currency 30 per "cent. higher than that in which he had borrowed

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" and the consequence was that he must retrench, aban-
" don the hospitality and liberality of his ancestors, and
" live like a niggard and degraded man, and squeeze his
" tenants like an oppressor, or the monied man walked
" in and took possession. A decrease in the quantity
" of money is the first step in the high road to ruin."
Mr. Western said, in a debate in 1830: "It is to the
" change in the currency that we are to attribute
" our distress." In the same debate Mr. Hudson
Gurney said: "To me it does seem perfectly clear
" that the one and only source of all our difficulties, and
" of all the distresses that press so large a portion
" of our population to the earth, is the affair of money—
" the great and inconceivable error of making gold
" their only standard." Mr. Attwood said: "The con-
" duct of the Government respecting the currency had
" operated as a confiscation of the property of the
" landed man for benefit of the monied man." Sir Francis
Burdett spoke of: "The fatal Bill of 1819. Subse-
" quently, to that measure there was a motion for a com-
" mittee by the hon. member for Suffolk (Sir T. Gooch)
" which was obtained, and a partial relief was obtained,
" for the existing distress by the issue of £1 notes."
"He mocked at the worship of the golden idol,"
and also said: "They sacrificed the agricultural
" interest, the shipping interest, and the commercial
" interest to the public creditor, to place-men and
" to pensioners." William Cobbett said: "The real
" cause of all the agricultural difficulties of England
" was the change which had taken place in the
" value of money. Therein lay the true source of the
" national misfortunes. The original moving power
" by which their distress had been occasioned was the
" well-known currency measure of the right hon.
" baronet, Sir R. Peel, near him." Mr. Benett said:
" I agree with Mr. Western that the cause of the
" agricultural distress, and the sources of relief must
" be sought for in the currency question." Daniel
O'Connell said: "There is such a place as Ireland:
" agricultural distress is as great, if not greater, in
" that country than in England. They have been during
" the debate wholly forgotten. The remedy proposed
" by the noble Lord (relief of taxation) is only like
" clipping or paring the thorn in the field. One remedy—
" the only sure remedy—has been passed over—namely,
" one that would have the effect of mitigating the
" horrors of the Gold Currency Bill. If no one else
" will, I will put in my claim for that scheme, which is
" better than all the other schemes I have heard this
" night proposed." On Mr. Canley's motion for a silver
standard on June 1st, 1835. O'Connell also said: "A
" more destructive Bill—a more iniquitous Bill, than
" that of 1819 has never been introduced. There never
" has been a Bill more fatal to this country or so fatal
" to Ireland. There is no pressing necessity for that
" measure. It appears to me to have been concocted
" in insanity, and for no other purpose than to make
" a mighty experiment on the power of human suffering
" to see what weight it would bear. I remember
" persons having valuable interests in land leased to
" others who had also interests, and all were swept
" from the face of the land by the effect of that Bill
" as by a plague or pestilence. The monied interest
" has a strong motive for upholding the present
" system." Mr. Wodehouse said: "All other reme-
" dies will prove utterly ineffectual. I have been
" one of the Committee who sat in 1822 upon
" agricultural distress, and I have been one of a
" small minority who were opposed to the adoption
" of their Report on the ground put forward by
" Mr. Huskisson, that it did not sufficiently take
" into account the altered value of money. I
" am convinced that the present state of the currency
" has already done incalculable mischief, particularly
" to those connected with agriculture, and still threa-
" tens to overwhelm them with immeasurable ruin."
Sir Robert Peel, while he did not go nearly so far as
the others, said:—"That the Bill did increase the dis-
" tress of the country to a certain degree I do not
" deny. It is impossible to escape . . . After
" 20 years of . . . . Inconvertible paper . . .
" Without. By depreciating the standard the prices
" of all commodities would be raised." In a de-
bate on the Corn Laws in 1843 Lord John Russell
said:—"In 1815 a new policy was adopted, and
" 80*s.* was established as the price at which foreign
" corn might be admitted. An important change,
" however, occurred in 1819, which really affected the
" price of corn. The attempt to keep up the price of
" corn at 80*s.* entirely failed; for the Right Hon.
" Baronet, in 1819, introduced a change in the currency
" and restored the standard of value. What was the
" effect? Why, five years before 1820, wheat averaged
" 80*s.* 9*d.*, while in five years after 1820 it averaged
" only 57*s.* 3*d.* It was not any alteration in the Corn
" Laws that produced the alteration in price; it was
" the change in the monetary system."

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18,846. (*Mr. Chaplin.*) Then do I understand your view to be this: that what you want to convey to the Commission is that all these repeated inquiries were rendered useless because the Commissions and Committees were debarred from making recommendations with regard to the currency?—That certainly is the opinion that I have formed. The real root and seat of the disease they were forbidden to touch, and consequently any recommendations that they could make were no more than clipping the hair or paring the nails of a patient who is bleeding to death from a ghastly wound.

Condition of agriculture in 1837–46.

18,847. After those Committees, ending with the Committee of the House of Lords in 1837 had been closed, what was the position of the agricultural interest in the following years?—I think after 1837 it gradually ameliorated; that is, things accommodated themselves to the altered value of money down to the time when the Corn Laws were repealed in 1846. On the whole after 1837—between that year and 1846—the agricultural distress lessened, I think, owing to a general accommodation of charges and rents and wages, and so forth, to the gold standard.

18,848. Matters, in fact, had generally adjusted themselves to the new condition of affairs during the years between 1837 and 1846?—I think so. There was no further inquiry into agricultural trouble in those years.

18,849. Then in 1846 the Corn Laws were repealed?—They were.

Effect of repeal of corn laws on prices.

18,850. What was the immediate effect of the repeal of those laws?—The immediate effect for a few years was a heavy fall in prices. The agricultural literature of that time is full of predictions of the calamities that would overtake the agricultural classes; how land would go out of cultivation, and the labourers would be driven off the land, and the landlords ruined. The whole country was filled with the fears of the agricultural classes at that time.

18,851. (*Mr. Giffen.*) Had you not rather high prices in one or two years between 1846 and 1850?—I think only in 1846 itself, if I remember aright. There was a sudden very sharp rise either in 1846, or 1847.

18,852. 1847, I think it was?—I am just old enough to remember it; it did not last long.

18,853. (*Mr. Chaplin.*) However, the fall that you are now speaking of, and the fears and the trouble that widely prevailed in agricultural circles were all attributed at that time to the passing of the legislation of 1846, that is to the repeal of the Corn Laws?—Undoubtedly to the repeal of the Corn Laws.

18,854. How long did that period of alarm and anxiety continue?—Till about 1852 or 1853.

Condition of agriculture 1852–1879.

18,855. Then did it disappear?—Then we entered upon an era of higher prices, and right away for the next 25 years, on the whole, we had a period of agricultural prosperity of longer continuance and steadier continuance than any period recorded in this present century. At the end of it, about 1879, English agriculture was the pride of the whole world and the desire of every occupier of land was to compete with his neighbour to try and make the earth yield more than they were making it yield. The farmers' profits were rising, the landlord's rent was going up and wages and employment were going up.

18,856. It might be said, I suppose, without exaggeration that in the years immediately previous to 1879, agriculture had reached the summit of prosperity in this country?—Yes, the highest level of prosperity that there is any record of, I think.

18,857. Rents had risen very considerably, I think?—Very considerably.

18,858. And farmers' profits were very large?—At any rate they were quite 10 per cent., taking one year with another.

18,859. And the wages of agricultural labourers were high?—They rose gradually. In the early part of the rise in prices the agricultural labourer was very severely punished. His wages did not go up proportionately; but as the period continued and developed the movement of wages followed in its track.

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18,860. (*Chairman.*) When do you consider the movement in the rise of wages began?—In the sixties, I think. I think the fifties were very hard times for agricultural labourers; in the sixties their condition ameliorated, and early in the seventies their money wages, in our part of England, had reached their maximum.

18,861. (*Mr. Chaplin.*) When?—In 1870; I think it was in the year 1870 when the great strike was in the eastern counties.

Wages in 1870 and 1879 compared.

18,862. What were the wages paid in your part of the country?—For an ordinary day labourer 13*s.*, and for a head horseman 15*s.*

18,863. And what would be the wages to-day?—The 13*s.* has gone down to 11*s.*, and 10*s.* in most cases now. I myself pay 12*s.*, but I am just on the edge of a flourishing town. The ordinary rate in the interior has gone down from 13*s.* to 10*s.*

Effect of gold discoveries of 1847-50 on prices.

18,864. Now, will you tell us to what causes you attribute that great period of prosperity?—My opinion, comparing recent history with past history, is that the alteration in prices was mainly due to the unprecedented discoveries of the precious metal, the wonderful discoveries of gold, first in California and after in Australia.

18,865. The discoveries in California commenced, I think, in 1847?—They did, and in Australia in 1850. The production of gold increased from an average of two millions a year in the first 14 years of the century to an average of 27 millions a year during the 20 years between 1850 and 1870. That is what the Gold and Silver Commission state.

18,866. An average of how much—27 millions did you say?—27 millions a year it averaged for the 20 years between 1850 and 1870, and it rose to that from a production in the early part of the century of only two millions a year—that is a 13-fold increase. It was the most amazing addition to the stock of the precious metals of the world that mankind has ever had; it exceeded the discoveries in America in the earlier centuries.

18,867. (*Mr. Lambert.*) For how many years was that?—For 20 years; in 20 years the quantity of gold in the possession of mankind from the foundation of the world was doubled—in one 20 years.

18,868. What were the years?—From 1850 to 1870.

18,869. (*Mr. Chaplin.*) What was the production in the years immediately previous to 1850; are you in a position to give us that?—I believe it increased eightfold, but I have not those figures before me.

18,870. You stated that the production was two millions a year for the first 14 years of the century, why do you take those particular years?—Because I copied them from the Gold and Silver Commission Report.

18,871. They do not give the other years, do they?—I fancy they do; but I did not light upon it in my looking through it.

18,872. You had no special reason for selecting those?—Not at all.

18,873. (*Mr. Giffen.*) The production in the forties was about eight million on the average, was it not?—Was it as much as that?

18,874. The production from Siberia, I believe, was about five millions, and that commenced a little before 1840?—I have not those figures before me at the moment.

18,875. (*Mr. Chaplin.*) This great production of gold between 1830 and 1870 was accompanied by a very considerable movement in general prices, I think?—It was so in the wholesale prices of all commodities; it was a very remarkable upward movement. The popular idea, when we entered upon the era of free trade was, that we were going to enter upon an era of cheapness and plenty. As a matter of fact, after a few years, we entered upon rising prices instead of falling prices, but with the rising prices we also had wonderful and unprecedented prosperity, which was felt not only in free-trade countries like England, but in protectionist countries on the Continent.

18,876. And that prosperity was not confined, I think, by any means, to agriculture, was it?—Oh, dear no. Our industries generally had the best time in the 20 odd years from 1850 to 1873 that has ever been known. I have here what I happened accidentally to light upon, an interesting prophecy of Sir Fitzroy Kelly's, who at that time in 1859 sat for East Suffolk, and was president of the Ipswich Farmers' Club. I happened to turn up the report of the speech he made the year he was our president, and in that speech I find that he said this: "I am now, perhaps, addressing "more tenants than landlords, and if there were one "piece of advice upon such a subject I should presume "to give you, it would be that during the next four or "five years, whoever is entering upon the relation of "tenant, that he should endeavour even at some "increased rent—even though bound by some contract "he may not altogether approve—to obtain *as long a "lease as possible* at whatever is considered a fair rent "of the day. The immense influx of gold into this "country is such that it must before very long have the "effect of lowering the value of gold, of money, and "consequently of enhancing and increasing the value "of every commodity which money will purchase . . . "With this immense influx of gold, which during the "last 10 or 12 years exceeded that received during the "first 100 years after the discovery of America, it is "only because silver has not fallen in proportion, "because it has not increased in proportion, silver still "existing in its original quantity and so counter-"balancing the effect of gold that the effect has not "been felt now. But be assured that a man who can "obtain a lease now say for 14 years at his present "rent, will find when his term is half at an end he is "paying a rent quite inadequate to the additional "value the land and its produce will have acquired "by reason of the fall in the value of gold. There-"fore, addressing as I am tenant farmers and persons "likely to take leases rather than to grant them, I "can only say if you are fortunate enough to obtain a "lease for 12 or 14 years at the present rent you will "be very fortunate, and will do more for yourself "than you would by some benefit conferred upon the "land."

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18,877. (*Chairman.*) Did many of them follow his advice?—Yes, everybody's desire in those happy days was to obtain as long a lease as he could.

18,878. (*Mr. Chaplin.*) What was the date of that statement?—It was in 1859 that Sir Fitzroy Kelly made that speech.

18,879. Have you anything further you would like to say with regard to that period between 1850 and 1870?—No, I think not.

Wages of labourers in Suffolk in 1871, 1881, and 1892.

18,880. (*Chairman.*) Before you go on let me ask one question with regard to wages. I see in the analysis which Mr. Giffen handed in of the wages of agricultural labourers, as reported by the Commission on Labour, it is stated that the wages in Suffolk in 1871 were 10*s.* to 12*s.*; in 1881 12*s.* to 13*s.*; and in 1892 12*s.* That does not quite coincide with what you said?—That does not correspond with my experience.

18,881. I think you said they had fallen from 13*s.* to 10*s.*?—Yes, they have fallen in this present year in many cases 2*s.*—in nearly all cases 1*s.* That is not included in Mr. Giffen's figures.

18,882. Whatever the fall this last winter may have been, will that not prove to be of a temporary character?—I do not think it is at all likely to be of a temporary character judging from the condition of the employers.

18,883. (*Mr. Little.*) May I say that the figures for 1871 appear to be based upon the report of the Commission on the Employment of Children and Young Persons. By the figures that I have before me in Mr. Wilson Fox's report it appears that the wages in 1870 were about 10*s.*, and that they rose after 1870 very rapidly and that 1872 was the time of the great rise?—The great strike in the eastern counties in which Joseph Arch came into so much prominence, I think, was in 1870 or 1871. I know that I was paying 13*s.* at the time and never went higher.

18,884. I think the great rise was a little later, will you look at this return (*handing return to witness*)?—You have got 13*s.* in 1872 there, I see at Thetford; we should probably pay more on the outskirts of Ipswich.

18,885. That would account partly for the discrepancy between these accounts?—Yes.

Condition of agriculture since 1879.

18,886. (*Mr. Chaplin.*) Then this period of agricultural prosperity continued, I think you said, until the year 1879?—Yes, that is so.

18,887. Since then there has been a very important and remarkable change in its condition?—Alas! there has, it has been continuously getting worse.

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Effect of demonetisation of silver on prices.

18,888. What do you attribute that change to?—1879 itself was a disastrous year in weather—a very wet year, and that, unfortunately, confused causes in people's minds, but I believe myself that the change in the level of prices which began to develop itself about then was owing to the legislation against one of the two precious metals which had commenced in 1872, and which was of the nature of protection to the remaining metal left free. The supply of money to the world had come freely from gold and silver, and then one nation after another began to protect the money-lenders' gold by excluding the old free competition of silver.

18,889. When did this legislation begin?—It began in Germany; it had begun in England as long ago as 1816, but it took no kind of effect then, because there were other nations which had their mints open without limit to both the two precious metals, and kept them free and in full circulation on a par with one another.

18,890. (*Mr. Lambert.*) What was the legislation in England that closed the mints?—Previous to 1816, and previous to our going back to paper money in 1797 the old standard of England had been silver, but gold had also been allowed to be coined without limit, and was legal tender without limit at a ratio prescribed by the mint indentures. Anyone was at liberty to carry his gold or silver to the mint and have it back again in coin, and with the coin of either metal he could discharge his debts without limit. But in 1816 an Act was passed for a new silver coinage in England, the object of which was to make gold our standard instead of silver, and to put the control of the minting of silver into the hands of the Government of the day. The particular object of that measure also was to keep silver coin in the country, for at that time it was to the interest of people to take silver out of England as they could make more of it elsewhere, and consequently small change was very scarce. Under this Act they debased the silver coin, and then the proposer of it said that possibly the debasing of it would lead to filling England with the debased silver instead of the gold. Therefore, he recommended that the Government of the day should have power, if they saw that was coming to pass, to close the mint against the silver.

18,891. Did they close the mint?—Yes, practically from that day on the coining of silver has been kept in the hands of the Government, but the right of any subject of England to bring silver to the mint to be coined into coin of the realm still remained upon the Statute Book, although a Royal proclamation was necessary before it took effect. As you have noticed when a new coin is issued now, there is a Royal proclamation which precedes its issue. Down from 1816 to 1870 a Royal proclamation could at any time have revived the old right of the subject in England to the free coinage of his silver as well as of his gold.

18,892. As a matter of fact, was there a great limitation in the coinage of silver?—Yes; they simply had enough coined for the convenience of small change.

18,893. (*Mr. Giffen.*) Was there any coinage of silver in England to speak of during the last century?—I believe there was not a large coinage.

18,894. It was very small indeed?—Yes. The rate at which the two metals were accepted in the Government Treasury and by the Mint Indentures made gold really the cheaper metal.

18,895. So that England had ceased to be a consumer of silver for monetary purposes from the beginning of the last century, as a matter of fact?—Yes. England was filled with the cheaper metal which at the ratio then prevailing was gold. It paid to take silver out of England and sell it in other countries.

Prohibition of free coinage of silver in England.

18,896. The free coinage of silver was absolutely forbidden in 1798, was it not?—No; I think not.

18,897. There was an Act passed in that year, was there not?—It has not come under my observation if there was. The legal tender of silver coin was restricted to 25*l.* by tale by an Act somewhere about that time, or a little earlier, I think.

18,898. In 1780?—The silver still remained legal tender to any amount.

18,899. But the free coinage of silver was absolutely prohibited in 1798, I believe?—If so, it was only a very temporary provision.

18,900. (*Mr. Chaplin.*) Were not the mints open to the free coinage of silver immediately prior to 1816?—I believe so, and silver was the standard with gold rated to it. Curiously in 1870 Mr. Lowe was Chancellor of the Exchequer, and carried an Act through the House for the consolidation of our coinage laws, and in the passing of that Act he omitted carrying over the clause dating from the time of Charles II., 1666, under which the right of free coinage of silver had been given to the subject; he omitted that, so that after 1870 a Royal Proclamation was not sufficient to enable the subject to bring his silver to the mint. Before he died, Mr. Lowe expressed to the late Colonel Tomline, I believe, his opinion that he had made a mistake.

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18,901. However, to the best of your knowledge, a gold standard was adopted by legislation in this country in 1816, and at the same time the mints were closed to the free coinage of silver?—Yes.

18,902. But you contend that that had no effect upon the monetary situation as regards the change in prices, because the mints of a great number of other countries were still open to the free coinage of silver, and in that way the parity of value was maintained between the metals just the same?—That is a historical, undeniable fact, I think.

Demonetisation of silver in 189

18,903. Then the next change was the change in 1872, I understand you to say?—Yes. The change which really affected the comparative value of the two precious metals was begun by Germany, I think it was in 1872.

18,904. (*Mr. Giffen.*) The actual withdrawal of gold commenced in 1871, I think?—Either 1871 or 1872.

18,905. (*Mr. Chaplin.*) And that was followed by action on the part of other countries?—Yes.

18,906. Which countries were they?—The United States was the next to follow suit. In all the past history of the United States gold and silver had been equally full legal tender, and their mints stood open to the unlimited coinage of both, but in an Act for the consolidation of the coinage passed in America in 1873 the two words "silver dollar" were left out in enumerating the coins which might be coined, and in a few words, I think passed the next year, the legal tender of silver was limited to 40*s.*, as in England. Many people believe that those changes were made by inadvertence.

18,907. It is a fact, I think, that there is some ground for believing that this Act was passed without its being understood, and without any knowledge of what its effects would be on the part of a great number of members of Parliament?—That is so.

18,908. Then the legislation in the United States on this question was followed by changes in France, I think?—Yes, by the closing of the mints against silver in France.

18,909. What were the consequences of that legislation in France?—Then there remained no nation in which gold and silver were both full legal tender, in which the mints stood open to both, and that tie which had held the two metals at a steady level from the beginning of the century was snapped, and henceforth silver and gold became two entirely separate things, each going its own course.

18,910. And from the period of those changes there has been a steady decline in prices, has there not?—Yes, there has. The effect of those changes was greatly to increase the demand for gold, and at the very time that the fresh demand arose the annual supplies were falling off, and the joint effect of the two movements was that gold steadily began to mount up in value, that movement showing itself in a general fall of wholesale prices.

18,911. Subsequently to the years 1873 and 1874 there had been further demands made upon gold by other countries, I think?—Yes, Italy followed and Austria-Hungary, and now recently what we are proposing to do in India if it is really carried out will involve further new demands on gold.

Increased demand for gold.

18,912. What do you contend has been the effect upon gold of this legislation in all these different countries?—Like any other commodity a greatly increased demand coincident with a decreased supply has greatly raised its value and in countries that measure prices by gold the natural and inevitable effect has been that prices have continually fallen.

18,913. This being a gold-standard country and prices having fallen, you attribute, then, I understand, some part at all events of the agricultural depression to these monetary changes?—By far the larger part, I think.

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All gold-standard countries to-day are seeing their agriculture in ruins and the value of their produce and the land itself continually depreciating. Take our Colonies, European countries, Great Britain, Ireland, and the United States of America; agriculture is almost in ruins in all of them and the people who have lent money on security based upon agricultural produce or land have seen the value of their property steadily dwindling away.

18,914. That being the condition at the present time in gold-standard countries how does it compare with the condition of agriculture in countries which have a silver standard?—Countries which have a silver standard have escaped all the calamities which have fallen upon us. Their prices have been maintained substantially steady and there has been no unusual suffering among the agricultural classes. That is the case in China, India, and in Mexico, and in all silver-using countries.

Agriculture in countries with depreciated paper currencies.

18,915. Have you anything to say in connexion with this subject with regard to countries with depreciated paper currencies?—They, I believe, are the only countries to-day in which agriculture is vigorously going forward. In the Argentine Republic the cultivation of the land is increasing very rapidly. The agricultural implement manufacturers in my county have been very busy this last year making agricultural machinery of all kinds to send over there.

18,916. (*Mr. Giffen.*) Is that so of Russia?—I really do not know much about Russia. I know that Ransomes and Sims, the great agricultural engineers with us, do a great deal with Russia. My impression is that in Russia agriculture has not suffered nearly to the extent that it has in Western Europe.

18,917. But it has suffered a great deal?—I am not competent to give evidence about Russia.

18,918. (*Mr. Chaplin.*) It is the case in Russia, I think, that within the last year or two—I forget the exact date—they have suffered fearfully from famine?—Yes, or the weather.

18,919. Vast areas of the country failed altogether in their crops owing to climatic causes, did they not?—Yes, owing to frost or something of that kind.

18,920. (*Mr. Giffen.*) But they have also suffered from the low prices, have they not?—I do not know to what extent that has acted also. Russia is a silver-standard country, but in practice uses paper, I believe.

18,921. That is so, but, as a matter of fact, I believe the Government have had to take special measures for the protection of agriculture against the low prices to enable the people to hold out for better prices; but you are not aware of the circumstances of Russia?—No, I am not. I know that the consular reports from Mexico, and the reports that come to us from India give the impression that those two countries have maintained a steady level of agricultural conditions.

Degree of appreciation of gold.

18,922. (*Mr. Chaplin.*) Now can you give us any opinion as to the extent to which the value of gold has been raised by the monetary changes?—Yes, if the purchasing power of an ounce of gold is compared now with what it was 20 years ago, as measured by the wholesale prices of commodities generally, it will be found that gold has risen in purchasing power something like 50 per cent!

18,923. (*Mr. Giffen.*) 50 per cent.?—Yes. Where it took 100 ounces of gold to buy a certain quantity of produce, now a little over 60 ounces will buy the same quantity. The prices of commodities have altered, I think, between 30 and 40 per cent., but gold has risen 50 per cent.

18,924. (*Chairman.*) Do you mean measured in silver or measured by what?—Measured by commodities.

18,925. How do you take your commodities?—There are two or three lists of them. Those are the "Economist" index numbers based in 22 articles, and then there are Sauerbeck's tables based on 45 leading commodities.

18,926. That is on the assumption that those commodities are all in equal demand?—No. Mr. Giffen knows more than I do how those statistical tables are compiled, but all the different lists, I think, bring out substantially the same result.

18,927. (*Mr. Giffen.*) Still they are all based upon the assumption that each article is of equal value; that they all enter into the general average of prices to the same extent. But as a matter of fact, have there not been investigations showing that much the same result would have been produced if you had allowed for the different quantities into which these articles enter into consumption? Mr. Edgeworth has made investigations of that kind, has he not?—I have not seen them. Saurbeck's 45 leading commodities and the "Economist's" 22, both show that taking the average of the years 1865 to 1869 as your starting point, you can buy now with 66 ounces of gold as much as you could then with 100 ounces.

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18,928. (*Chairman.*) 66?—Yes.

18,929. That is not 50 per cent.?—Yes, it is, or thereabouts. Add 50 per cent. to 66, that is, add 33, and that makes 99.

18,930 I thought you said the reduction was 50 per cent.?—Yes.

18,931. You are putting it the other way which is very different; the reduction from 100 to 66 is not 50 per cent.; the decline is only a reduction of 34 per cent. Of course, if you put it the other way, comparing the present price with the former price, then you may say it is 50 per cent. above the present, but that is not the true way of putting it. When you speak of the decline of prices according to your own statement, the decline has only been 34 per cent.?—Yes; but that is because you take it that way.

18,932. When you speak of the decline of prices and the appreciation of gold, you must put your proposition in that form, must you not?—Yes.

18,933. And it is only 34 per cent., is it not so?—66 ounces of gold will buy as much now as 100 ounces would in the earlier years.

18,934. Does that not show, then, that the depreciation has been 34 per cent., and not 50 per cent.?—Yes; I think that is so, taking it that way. But those are the substantial facts. If you apply the same tables to silver, you will find that the purchasing power of silver has stood steady substantially. It increased through most of the period referred to, instead of depreciating as people would ordinarily have supposed, but it has a little depreciated in these last two or three years.

18,935. (*Mr. Giffen.*) That is to say, silver has fallen more than commodities in general during the last two or three years?—The diagram which I have had put up shows the movements of silver, of commodities, and of wheat by three different coloured lines which I respectfully submit show so remarkable a similarity that it is almost impossible to believe other than that they are all the result of the same cause, and that the rise in the value of gold explains them all. They measure in three different ways the extent by which gold has risen.

Fall in price of wheat.

18,936. Is there not something exceptional in wheat?—Yes wheat has fallen rather more.

18,937. A good deal more?—Yes. I think that is partly because wheat comes from silver-using countries and depreciated paper money countries probably more than the average of commodities come.

18,938. And the fall is not quite uniform; I observe that according to that between 1880 and 1887 the fall in commodities was much more than the fall in silver?—Yes, but the main outlines are parallel.

Fall in price of silver and commodities compared.

18,939. That is to say, at certain distant dates. You find them to be parallel, but they are not parallel all the way through?—No, not exactly. I have here a table which was contained in a paper read before the Society of Arts by Mr. Ban Robertson on January 19, 1893, which shows the parallel movements of silver, measured by gold and commodities (*handing in the table, see* Appendix).

18,940. (*Mr. Chaplin.*) Which is the silver, the dotted line?—I forget which line is which, but they are both almost exactly parallel.

18,941. (*Mr. Giffen.*) When you say commodities you mean that particular group of commodities, do you not?—Yes. In the diagram I have had put up the line representing the commodities represents the index number of the "Economist."

18,942. It would not be quite the same if you took Mr. Sauerbeck's number?—No, but it would be substantially the same.

18,943. And it would not be the same if you took Mr. Soetbeer's number?—Not exactly the same, but in all of them the main fluctuations would be the same.

18,944. With exceptions?—Yes. They do not fall in the same week or the same month.

18,945. Or the same year even?—The general movement is so exactly similar that I find it very hard to believe that they do not proceed from a common cause.

18,946. (*Chairman.*) There is a very complete parallel between them on that table which you have handed in?—Yes, that is very striking. Where those two crosses are is 1873.

18,947. (*Mr. Lambert.*) It is a very curious coincidence, is it not?—Yes. What I contend is that the fall in silver is like a barometer, really measuring the rise in gold. Silver has not fallen we know, taken by itself, in its purchasing power, but gold has risen, and you get silver, the group of commodities, and the wheat, to be about equally or substantially, roughly, alike.

Fall in silver and labour compared.

18,948. (*Mr. Giffen.*) But silver has fallen measured by labour, has it not?—Yes, if you apply the measure of labour you get quite different results.

18,949. (*Mr. Chaplin.*) You have divided your consideration of the question of prices into five separate areas, I see?—Yes.

Eras of fluctuation in prices.

18,950. You point to the first two as showing a considerable rise in prices?—That is so.

18,951. In the first era I think you contend that prices rose something like four-fold?—Yes, quite four-fold. That is the result, I maintain, of the bringing of the precious metals from America, first from the plunder of the different countries that possess them, and afterwards from the great products of the silver mines of Potosi.

18,952. In the second era you also point to a great rise of prices, and that you attribute, I think, mainly to a plentiful issue of paper money?—Yes, of inconvertible paper money, from 1797 to 1819.

18,953. Have you anything you would wish to put before us as an illustration of the effect upon prices of the issue of paper money?—Prices rose considerably during that period, and taking the whole period together, a period of 22 years, the average annual value of a quarter of wheat, a quarter of barley, and a quarter of oats, added together, was 158*s.* 6*d.*: that was the value of a quarter of each of the three commodities added together on the average of those 22 years.

18,954. Have you made any comparison between the prices at that time and the prices of the present day?—The next era to that, the third era, is after the return to cash payments, when prices were measured by the gold standard, and alongside of the gold standard we had corn laws and very heavy Protection of commodities; yet that period, as compared with the paper-money period, was marked by a great fall in prices, and taking the quarter of wheat, the quarter of barley, and the quarter of oats in that period, they averaged throughout 112*s.* as compared with 158*s.* in the previous era.

18,955. So that during the period of the gold standard, and the corn laws, the prices were considerably less, according to the illustration you have given us, than they were during the era of plentiful paper money?—Yes, the change of the standard had a far more powerful effect than Protection at the ports.

18,956. Although Protection might have been expected to increase the prices of agricultural produce, there was, on the other hand, a fall in these prices, due, in your opinion, I understand, to the adoption of a gold standard?—Yes, and a very heavy fall there was.

18,957. It more than counteracted whatever advantage was to have been derived from Protection?—Yes, much more.

18,958. Then we come to the fourth era. That era, I see, includes the period during which the great gold discoveries were made, and free trade was adopted as the policy of the country?—Yes. Those two things, singularly enough, were nearly contemporary. The abolition of the corn laws was one year before the beginning of the great gold discoveries, and that period was distinguished by a general rise of all prices. As regards agricultural produce, it maintained the value of the quarter of wheat, the quarter of barley, and the quarter of oats added together, at almost exactly the same level as we had it under the corn laws, and the gold standard, before the great gold discoveries.

18,959. The protective duties in the previous era having been extremely heavy?—Yes. The sweeping away of them really left us with substantially the same prices during the first 32 years of free trade. As regards meat, of which I have not the comparative figures, the price of that rose substantially in the free trade and great gold discovery period.

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18,960. And at the end of that period, which closed, I think, in your view in 1878, after having had free trade for a great number of years, agriculture was able to look back upon a period of almost unbroken prosperity; is that so?—Yes, that is so. There is hardly anything like it in our agricultural history.

18,961. That period of great prosperity you attribute, I understand, to the influence upon prices of agricultural produce, brought about by the great discovery of gold?—Yes, and also to the general rise in the prices of all other products, so that the whole industry of the country was in a thoroughly active condition.

18,962. Then we come to the 5th era into which you have divided the long period over which you have given us your very interesting history of agriculture, and that era is distinguished by the monetary legislation which has operated so injuriously in your opinion against silver?—Yes.

18,963. What have been the prices during that era taking the articles you have already given us as an illustration, as compared with the period immediately previous?—They have been falling through nearly the whole of that period. I have not there added all the years together, I have simply taken the prices of 1892, and the articles which in the paper money era were worth 158*s.*, in the gold standard and Corn Law period 112*s.*, and the gold discoveries and free trade era 111*s.*, in 1892 had come down to 76*s.*; and this year they are lower than that.

18,964. You are anxious, if I understand you, to call the attention of the Commission as emphatically as you can to this fact; that whereas after the gold discoveries there was a period of unbroken and unprecedented prosperity for agriculture for a great number of years, since the monetary legislation upon which you have laid so much stress, there has been a period of an exactly opposite description, of constantly falling prices and of very great depression in agriculture?—That is so; a period of intense and increasing depression and suffering.

18,965. (*Mr. Lambert.*) Was the third era that you mention a period of agricultural depression?—Yes. During that period we had three different Committees of the House of Commons and one of the House of Lords, inquiring into the reason of the depression in agriculture.

18,966. The fourth, of course, was a period of prosperity?—Yes.

18,967. But there is only a difference of about 1*s.* or 1*s.* 4*d.* a quarter upon the aggregate value of a quarter of oats, of barley, and of wheat?—Yes. The intense agricultural suffering in the third era was in the first three quarters of the period; when you got towards the end of the era the general arrangements between landlords and tenants and labourers had accommodated themselves to the lower range of prices, so that in those years men got some relief.

18,968. Presuming that the prices that gave prosperity in the 4th era had been current in the third era, would that have meant depression or prosperity?—If no higher prices than those of the fourth era had been in the third era, no doubt there would have been great agricultural suffering, because you come down you see from 158*s.* to 111*s.*

18,969. How was it that we had agricultural prosperity with prices at 111*s.*, whereas there was great depression with prices at 112*s.*?—While the prices were at 112*s.* the depression was only in the earlier years while things were accommodating themselves to the lower level. When the fourth era began they had accommodated themselves to the lower level, and then you went on for a quarter of a century and rather more at steady prices; and if I had got the figures of the prices of wool and meat here, you would see they were on the whole, rising prices.

18,970. (*Mr. Chaplin.*) You attribute the marked distinction between the fourth period of which I was speaking last and the fifth period to this fact, that during the first period agriculture was in a time of steadily rising prices, and during the last period it has passed through a time of steadily and continuously falling prices?—I am persuaded that is the key to the difference in the condition of the industry.

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Opinion of authorities as to effect of monetary changes in prices.

18,971. And that distinction between the two periods you attribute to currency causes?—Yes; to currency changes caused by legislation in the last case.

18,972. Have you any authorities that you can quote in support of the views that you have submitted upon these points to the Commission this afternoon?—I should like very much if the Commission would bear with me a minute or two to read two extracts from Mr. Disraeli, which really, in the light of present events, are very remarkable. On November the 19th in 1873, Mr. Disraeli was in Glasgow; he gave an inaugural address to the students there, and afterwards he spoke to the citizens at the City Hall. I may say that the bank rate at that time was 9 per cent. He said amongst other things this: "I do not believe that the disorders "which have arisen there (in the United States) could "have occasioned or were adequate to occasion the "disorders which have arisen in our own country with "reference to the value of money. I attribute them "to quite another cause, and if I touch on that cause, "which I shall briefly, I do it because I think the "cause is not exhausted and is deserving of the

Mr. Disraeli in 1873.

"gravest attention of men who are so deeply in-"terested in the prosperity of the country and the "action of commerce as those I have the pleasure of "meeting to-day. I attribute the great monetary "disturbance that has occurred, and is now to a "certain extent, acting very injuriously to trade. I "attribute it to the great changes which our Govern-"ments in Europe are making with reference to "their standard of value. I attribute the present "state of affairs very much to a Commission that was "sitting in Paris at the time of the Great Exhibition. "That was a Commission, the object of which was to "establish a uniform coinage throughout the world, a "very beautiful idea of cosmopolitan philanthropy, and "probably if it could be fulfilled could do no great "harm, but I think it would be very difficult to attain. "The Commission of Paris never came to a definite "recommendation on this subject, but they did on "another subject, and that was that no time should "be lost by the States of Europe in taking steps "to establish a uniform gold standard of value. This, "I know myself, arose from an opinion extremely pre-"valent among the Government statesmen of Europe, "and among distinguished economists and merchants "abroad, that the commercial prosperity and prepon-"derance of England were to be attributed to her "gold standard. Now our gold standard is, I think, "a most invaluable arrangement. I think that any "country which has a gold standard of value should, "to use a celebrated expression, think once, twice, "and thrice, before it gives it up. But it is the "greatest delusion in the world to attribute the com-"mercial preponderance and prosperity of England to "our having a gold standard. Our gold standard is "not the cause of our commercial prosperity, but the "consequence of our commercial prosperity, and it is "very well for us to have it, but you cannot establish "a gold standard by violent means. It must arise "gradually from the large transactions of the country, "and the consequent command it may have of the "precious metals. When the various states of Europe "suddenly determined to have a gold standard, and "took steps to carry it into effect, it was quite evident "that we must prepare ourselves for great convulsions "in the money market, not occasioned by speculation "or any old cause, which has been alleged, but to a "new cause with which we are not yet sufficiently "acquainted, and the consequences of which are very "embarrassing; and that is the cause I have taken "the liberty of calling your attention to. Take the "case of Germany. At this moment it is most re-"markable when there has been such a want of a gold "standard in various parts of Europe and in England "where the strain has been so great, Germany has at "this moment 50 millions sterling of gold coin virtually "locked up; and it is locked up because it is the "object of Germany to substitute a gold coinage for "a silver coinage. While it has 50 millions of gold "locked up, it has 80 millions of silver circulating, "and they know very well that if they were to attempt "to substitute violently the gold for the silver coinage "—50 millions of gold against 90 millions of silver—"the consequence would be that the silver already "reduced in value would become reduced still more, "and the 50 millions of gold would all leave Germany. "The consequence is that Germany is taking violent "steps to get rid of this silver. The other day "Germany sent a large amount of silver to Calcutta, "and Germany could only have an artificial means of "forwarding it, and the result was for a long time "you could not buy a single bill on England. These "are all circumstances calculated to disturb the "course of commerce and manufacturing arrange-"ments. Then again, take the case of France and "America, which are floating an inconvertible paper; "but France has also at this moment 90 millions "sterling of French pieces. What must be the "position of France with all that silver already "depreciated when Germany is acting on France, as "she can by getting rid of her silver coinage? By "that throwing it into France, France would be put "into a position of great embarrassment, and would "make violent efforts to establish, as soon as she can, "a gold coinage at any cost. Great disturbance and "immense fluctuations must arise from circumstances "of this kind. I regret to treat matters of this kind "at a moment like this, because they require to be "treated with more precision of language, and with "greater patience than either you or I can afford at "this moment, but it did appear to me a subject to "which I ought to call your attention. You are com-"mercial men interested in the monetary system of "the world; you ought to have your eye carefully "upon the efforts which are making to establish a "gold standard of value in Germany, in France, and "soon you will find also in America. Legally, of "course, there is a gold standard in America, but "virtually, there is not, in consequence of its present "state of depression. Holland and all the Scandi-"navian States are also bent on establishing a gold "standard, and when countries inundated with silver "are bent on getting rid of it, convulsions must "come, and no one would be able to form an adequate "idea of the monetary arrangements of the times in "which he lives, if he omits from his consideration "the important subject to which I have called your "attention." That was in 1873.

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18,973. (*Mr. Giffen.*) Mr. Disraeli had been a diligent reader of the "Economist" at that time, I believe?—And you had been instructing him, then, I presume? Then there is another much shorter extract from a speech that Mr. Disraeli (now become Lord Beaconsfield) made in the House of Lords on March 28, 1879, in the discussion on the depressed condition of agriculture and trade. He said: "After the repeal of the "Corn Laws there was considerable suffering among "all classes, not merely in the agricultural classes, but "in trade generally there was great discontent and "dissatisfaction. . . . . Suddenly after three or four "years there was an extraordinary revival in trade and "a great elevation in prices. How did that occur? One "of the most wonderful events in the history of the "world happened, and that was the discovery of gold in "California. In 1852 36,000,000*l.* of gold were poured "into Europe, and when your Lordships remember "that the business of the world had been carried on "until that time by an amount of gold which I believe "never reached 6,000,000*l.* a year, you can at once "apprehend the effect of this discovery. In one year "there came 36,000,000*l.* of gold, and in five years "150,000,000*l.* were poured into Europe. The effect "of this was that prices were raised immensely. "But a marvellous thing occurred also shortly after. "There was a commission of all the great States of "Europe, who took advantage of the holding of the "exhibition at Paris to meet there with the consent of "their Governments, to consider whether a uniform "system of coinage could not be established, and that "advantage ought to be taken of the gold discoveries "to bring about this result. . . . . The Govern-"ment of Germany, which had 80,000,000*l.* of silver, "availed themselves of the great change of which I "am speaking to substitute gold for their silver. "All this time the produce of the gold "mines in Australia and Calliornia has been regularly "diminishing, and the consequence is that while these "large alterations in favour of a gold currency have "been taking place in the leading nations of Europe—"notwithstanding an increase of population, which "alone always requires a considerable increase of gold "currency to carry on its transactions—the amount "every year has diminished, and is diminishing, until "a state of affairs has been brought about by the gold "discoveries exactly the reverse of that which they "produced at first. Gold is every day appreciating "in value, and as it appreciates in value the lower "become prices. This, then, I think, is the third "cause (of the depression)—not dogmatically stated, "but only with that diffidence which becomes one who "has to speak on an abstruse and complicated subject

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" —which, I think, earnestly requires the considera-
" tion of your Lordships, and which may lead to
" consequences which may be of a very serious
" character. . . . . It is not impossible that as
" affairs develop the country may require that some
" formal investigation should be made of the causes
" which are affecting the prices of the precious metals,
" and the effect which the change in the value of the
" precious metals has upon the industry of the country
" and upon the continual fall of prices."

18,974. (*Mr. Chaplin.*) What was the date of that speech?—It was in 1879 that Lord Beaconsfield made that speech.

18,975. That speech practically amounted to a prophecy which was fulfilled by the appointment of the Commission on Gold and Silver nearly 10 years afterwards?—Yes, it is a very remarkable instance of political sagacity.

18,976. (*Mr. Giffen.*) But the Agricultural Commission of 1879 and 1880 did not investigate that subject of the fall of prices very much, and I believe I was the only witness who gave evidence upon that subject before it?—Yes; I think the extraordinary prosperity which followed the gold discoveries drove all knowledge of currency matters and their importance as bearing on active or slack industry quite out of the minds of the generation that grew up at that time. Then Mr. Goschen made a speech in the House of Commons in 1883, in which he attributed a portion of the agricultural depression to the appreciation in the value of gold.

Mr. Goschen in 1883.

18,977. Are you referring to Mr. Goschen's speech at the Bankers' Institute?—No, this was earlier than that—this was on the 20th February 1883.

18,978. (*Mr. Chaplin.*) There was a speech, I think, made by Mr. Goschen in the House of Commons; he was the first to call attention to this question as one of the probable causes of agricultural depression, was he not?—Yes, that was in this speech which I have here which was delivered in February 1883. Then I have a short extract from a speech which the Paris Baron Rothschild of that time gave utterance to in 1870. He said: "The simultaneous employment of the two
" precious metals is satisfactory, and gives rise to no
" complaint. Whether gold or silver dominates for
" the time being it is always true that the two metals
" concur together in forming the monetary circulation
" of the world, and it is the general mass of the two
" metals combined, which serves as the measure of the
" value of things. The suppression of silver would
" amount to a veritable destruction of values without
" any compensation." I think those words have been remarkably fulfilled in the experience of the last few years.

18,979. Which Baron Rothschild was that?—That statement was in 1870 in Paris—it was the Paris Baron Rothschild.

18,980–1. That must have been the father of the head of the present house in Paris?—I think so. He discerned what was likely to follow as regards the falling away of values, and the destruction of property by trying to make one metal do the work of two.

18,982. (*Mr. Giffen.*) On what occasion did he make that remark?—That was something to do with bankers, I think, it was at a conference in relation to bankers.

18,983. Was there not a monetary Commission in Paris about that time?—That was the date of the Franco-Prussian War, was it not?

18,984. A little before that, I think?—I do not know what month in 1870 it was.

18,985. (*Mr. Chaplin.*) Where did you obtain the extract from?—I cut this out of a book on money, but I do not now remember what book.

Committee and Conferences on monetary questions, 1876-1881.

18,986. You are clearly of opinion that there has been something extremely wrong with regard to money since the year 1873?—Yes. I think the history of what has happened publicly since then is a remarkable testimony to that fact. Speaking of England we had a Committee of the House of Commons appointed in 1876 with Mr. Goschen as its Chairman, to inquire into the cause of the depreciation of silver measured by gold; then we had a monetary Conference of the Nations at Paris in 1878; then we had the Royal Commission on Agricultural Depression in 1879 and 1880; then we had another monetary Conference at Paris in 1881; then the Royal Commission on depression of trade and industry in 1886; and that Commission paused in their work and issued a special report calling attention to the fact of the evidence of a good many witnesses who had testified before them that the depression was largely connected with the change in the value of gold and silver; and that Commission in that special report strongly urged the Government to make changes in gold and silver the subject of a special separate inquiry.

Royal Commission on Depression of Trade and Industry, 1886.

18,987. I think it is the fact, is it not, you will be able perhaps to speak from memory and correct me if I am wrong, that the majority report of that Commission which was presided over by Sir Stafford Northcote attributed the main causes of depression to the fall in prices due to the appreciation of gold?—Yes, that was so, I believe.

18,988. I think the expression was, "We give this a
" leading place in our opinion as to the causes of the
" depression," have you got an extract from their report?—I have got a short extract here from that special report which they issued, "Among the subjects
" to which our attention has been called in the course
" of our inquiry is one which seems to us to require
" special consideration both on account of its actual
" importance, and because of the anxiety expressed in
" regard to it in many mercantile quarters as having a
" direct and a peculiar bearing upon the trade and
" industry of the country and upon the prices of com-
" modities. We refer to the important subject of the
" currency so far as it is concerned with changes in
" the value of the precious metals." Then they conclude by humbly submitting that "the necessity for a
" separate and special inquiry is urgent."

Gold and Silver Commission, 1886

18,989. After the Commission on the depression of trade and industry had sat in 1886, is there anything else that you have to suggest?—They recommended the appointment of the Gold and Silver Commission, which was appointed in 1886. That Commission I may say agreed that the fall in prices was largely connected with the change in monetary conditions and recommended an increased use of silver among the nations.

18,990. That Committee, if I remember aright, issued three reports?—Yes.

18,991. The first report was signed by all the members of the Commission?—Yes.

18,992. The second report was signed by six members, was it not?—Yes.

18,993. And the third report was signed by six?—By six also.

18,994. The second and third reports differed in this respect I believe, that one of those reports recommended the adoption of bimetallism, and the other declined to recommend it, thinking, at all events, the time had not arrived for such a policy; that is so, is it not?—That is so; and one of the six has since changed his opinion, and concurs in the views of the other six—that it is desirable to return to a double legal tender.

18,995. (*Mr. Lambert.*) Who is that?—Mr. Leonard Courtney.

18,996. (*Mr. Chaplin.*) So it may be said, then, that a majority of the Gold and Silver Commission were in favour of adopting the policy of bimetallism?—Are now in favour at any rate.

18,997. The whole Commission, I understand, were unanimous as to the feasibility of maintaining a settled ratio between gold and silver by the action of governments?—It is very clearly testified by them that in any circumstances possible for them to forecast a combination of the leading nations—and they enumerate, I think, about six of them—would in their opinion hold the two metals at a steady ratio.

18,998. But it is also the case, I think, that although the whole 12 Commissioners signed their names to paragraphs in the report having that effect, two of them subsequently signed a memorandum of their own in which they express some doubts as to how far that ratio could be permanently maintained?—Yes.

18,999. Although they were of opinion that it could be maintained for a long period of time?—Yes, that is correct.

19,000. As far as you know I have correctly described to you the effects of the reports of that Commission on those points?—Yes; they also pointed out that the relative value of silver and gold had remained substantially steady for 200 years prior to 1873, and that the legislative changes then made commenced a new era of very violent alterations of value between the two, quite unprecedented in the history of the past, and that they could hardly but think that the two things stood in relation of cause and effect.

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19,001. This Commission pointed out that, at all events for 70 years, the ratio between the two metals had remained practically steady?—They did.

19,002. That was in spite of the fact that there had been immense variations during that period in the relative production of the two metals?—Yes, it covered the most extraordinary variation that the world has ever seen—the great gold discoveries.

19,003. At one time during that period I think I am right in saying there was three times as much silver produced as gold, and at another time during that period three or four times as much gold as silver, is that not so?—They say in their report that the production of gold annually increased from an average of two millions for the first 14 years of the century to an average of 27 millions during the 20 years from 1850 to 1870, and they say that the action of the Latin Union in 1873 broke the link between gold and silver, which had kept the former as measured by the latter constant at about the legal ratio, and that when this link was broken the silver market was open to the influence of all the factors which go to affect the price of a commodity.

19,004. Then, although this great practical stability had been maintained during all those 70 years up to 1873 in spite of immense variations in the relative productions of the metals after 1873, a very wide divergence very shortly occurred between the relative value of the metals?—Yes, it did; the variations in one year several times exceeding the variations over the whole of the previous 70 years sometimes. The variations have been even more violent since that report was published.

19,005. The ratio, which had remained practically steady at 15½ to 1 up till 1873, has now fallen to what ratio—are you able to say what the ratio of to-day is?—I do not think I know exactly how it is; from 1 to 15½ it has gone to 1 to 33, I think. An ounce of gold will exchange for twice as much silver as formerly.

19,006. This great and striking change in the ratio has occurred, although during the period since 1873 there has been nothing like an equal variation in the relative amount of the metals which have been produced compared with the variations for many years prior to 1873?—That is strictly true. In the latter period there has been a considerable excess of silver over gold, but nothing like the extent to which the excess of gold over silver reached in the period within which the two metals continued in their steady relation one to the other

19,007. Then after the Gold and Silver Commission in 1886 have you anything else that you wish to refer to as evidence of something being wrong with regard to money?—Another monetary conference was convened and sat in 1892.

Brussels Monetary Conference, 1892

19,008. (*Mr. Giffen.*) Was there not a conference in Paris in 1889, the year of the Exhibition?—I have lost record of that if there was.

19,009. Was there not a conference in that year to which Mr. Foxwell and Mr. Grenfell went over from this country, and at which a good many French economists expressed opinions adverse to bimetallism?—That has not come under my notice.

19,010. (*Mr. Chaplin.*) The conference you refer to as having occurred in 1892 I presume was the Monetary Conference at Brussels?—The Brussels Conference; then following on from that we have the Royal Commission on which we have the honour to sit, still enquiring into agricultural depression, and having testified to it that money considerations are at any rate connected considerably with the existing depression; and then we have the fact that an Indian Currency Commission was appointed last year.

19,011. I understand that you point to the appointment of all these different Commissions and Conferences as evidence strongly supporting your views that there must be something very unsatisfactory and very wrong in the position of money since the legislation which occurred in 1873?—Yes; I think they are all conclusive evidences that that is so—there had been nothing of the kind in the previous period.

Effects of appreciation of gold on agricultural prices and rents.

19,012. Have you anything to tell the Commission with regard to your views as to what have been the practical effects of this rise in the value of gold more particularly connected with agriculture?—It appears to me that you see them everywhere in the history of the period. We had the great movement against tithe in Wales, which arose from the farmers finding themselves in circumstances in which it was more difficult to pay tithe than they had found it before—which a fall in prices would quite well account for, especially as the fall in tithe lags seven years behind the fall of prices in the current year. Then there was the dreadful trouble in Ireland which led to the passing of the Act of 1881 by which courts were appointed to fix rents. Those rents were fixed at amounts which were cried out about very much at the time as being too low, but not many years had elapsed before they again became so high as to be impossible, and our Parliament did a thing unprecedented I should think in its history, and broke the agreements which they themselves had sanctioned for 15 years, and eased the burdens upon the shoulders of the tenants.

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19,013. In connexion with this subject, are you familiar with the writings of a prominent Irishman well acquainted with the Irish land question on this subject, namely, Archbishop Walsh?—Yes, and I have read with much interest his book upon this subject.

Effect of appreciation of gold on debts and mortgages.

19,014. Have you any other point that you would like to refer to as an evidence of the practical effects of the rise in gold?—The Anti-Semitic movement in Europe which has been so pronounced is really the groaning and struggle of the indebted classes against the greatly increased weight of the burden which they owe to the money-lenders. The number of the units of money that they owe has not increased, but owing to the fall in prices it takes a larger quantity of produce to bring those writs to meet the money-lender's charges. That appears to me to be just such an effect as you would expect to accompany a great rise in the value of money. Then the Government of India owes a large sum in gold to this country, and it is entirely in connexion with the increased weight of the burden of that debt that our financial troubles in India have arisen. India internally has been prospering.

19,015. (*Mr. Giffen.*) How much does India owe?—Between 18 and 19 millions a year.

19,016. Not of debt?—Of gold obligations which have to be paid.

19,017. But not debt?—Railways, and so on.

19,018. (*Mr. Chaplin.*) Part of it is debt and part of it is in virtue of home charges which have to be annually met, is that not the case?—Yes. I have heard it stated again and again in the debates we have had upon this matter that India has to pay between 18 and 19 millions each year in gold.

19,019. You are not prepared at this moment to say how much of it is actually debt?—No; how does that bear upon the matter?

19,020. It amounts to this, that they are under liability to make payments in gold to England amounting to something like 17 or 18 millions a year?—Yes, quite as much as that; and that is paid by produce, and as it takes nearly double the quantity of produce to raise the same quantity of gold that it did, their burden, though not increased in the number of pounds that they owe, is increased in real weight by that extent.

19,021. Then you point also, I think, to the great depreciation of landed property in this country?—What I was saying of India applies also to Australia. They owe, I think, about 14 millions, and the real burden of that is increased in the same proportion. There have been great troubles there, and there has been great depreciation of their property. There has been a very great depreciation of all agricultural property, and in fact of nearly all industrial property both in England and our Colonies and in all gold standard countries.

19,022. I suppose the position of people whose estates are mortgaged is seriously affected from the same cause?—It has been something perfectly awful; land, that property which was supposed to be the most secure in the whole world, and on which people were positively eager to advance you money, now keeps wasting away in value, so that where your mortgage was an amount which you could very easily deal with 15 years ago, it has now become quite impossible to meet the interest. Thousands of perfectly innocent and deserving people have been driven into hopeless ruin, and lots of them have cut their throats and made away with themselves as the easiest way of getting out of the difficulty.

19,023. Have you anything further to say with regard to the position of farmers and landowners generally as affected by this state of things?—The continual fall in prices is hurrying them one after the

other from difficulty to difficulty and finally landing them in ruin.

19,024. Have you anything further that you wish to say to the Commission?—That we were able to reduce the interest on the National Debt also is a confirmatory fact. The value of gold has risen so much that industry is not able to pay the quantity of gold for the use of money that it used to do. Industries have become unprofitable, and money instead of being eagerly sought by the industrial classes to employ in production has become quite a drug, and in consequence of that the first-class securities have risen in value owing to the increased demand for them, and fallen in their rate of interest. It is part of the same question; what affects our agricultural industry affects with very nearly equal severity so far as I can learn the great cotton industry, and the woollen industry, and the iron industry, and most of the great industries of the country.

Present depression compared with former periods.

19,025. (*Chairman.*) I presume that you consider the depression of the last few years, and the consequent inquiries by Commissions and Committees are not dissimilar to the condition of things in your third era, namely, 1821 to 1836?—They are practically identical in my view.

19,026. Then I think you stated that between 1837 and 1846 agriculture revived in consequence of the adjustment which took place with regard to the new condition of things?—Yes, I believe that was so.

19,027. There was a general revival during that period?—Yes.

19,028. And at the end of it agriculture had achieved a prosperous condition again?—Yes.

19,029. Is it not possible that the same thing may occur now, and that when prices have reached their lowest, and when things have adjusted themselves to the new condition of things we may again have a revival of prosperity in agriculture without a rise of prices?—I think if the level of prices which we have reached now is maintained with comparative steadiness for 10 or 15 years we shall probably see agriculture in a fair condition of prosperity, but there would have been the unspeakable miseries of the sufferings and ruin of a generation involved.

Possibilities of adjustment of affairs to present prices.

19,030. Supposing at this moment that prices are maintained, and that there is no further fall, judging from the evidence that you have given as to what occurred between 1837 and 1846, is it not probable that things will adjust themselves to this new condition, and we may expect a revival of prosperity if there is no further fall?—Yes, but I think we should see this change now different from what occurred then, labour has become much stronger, and we shall not be able to adjust agricultural wages to the lower level.

19,031. I thought you said that in your county wages have already fallen from 13*s.* a week to 10*s.*?—Yes.

19,032. That is a fall of 23 per cent.?—Yes, and the fall in the value of our produce has been nearly 50 per cent.

Effect of low prices in cultivation.

19,033. No, I cannot admit that it has been 50 per cent. upon your own showing. However, I will come to that——?—My view of what will happen if this present level of prices is maintained is this, that quite half the present land that is tilled will go down to permanent pasture. I do not think anything else can come.

19,034. When prices have adjusted themselves do you think it is possible that then there may occur what occurred between 1837 and 1846; land did not then go out of permanent cultivation, but it remained in cultivation; there was a readjustment, and according to your own account there was a period of prosperity?—Yes.

19,035. Why should not that occur again on the assumption that prices remain as they are?—I do not think that you can get wages down low enough to enable you to continue to cultivate the land with the plough. No doubt in permanent pasture the earth will yield a produce, but human labour will have to be dispensed with largely.

Fall in purchasing power of gold.

19,036. I think you said that the purchasing power of gold had fallen from 100 to 66?—Yes.

19,037. Does that not show that the purchasing power of gold has appreciated by 34 per cent.?—You can buy 50 per cent. more commodities to-day with an ounce of gold than you could some 20 or 30 years ago.

19,038. No, I cannot see it in that way; taking the assumption that the purchasing power of gold which was 100 a few years ago and is now 66, does that not show a net appreciation of 34 per cent.?—Taking it that way it does seem to show so, but I do not think that is the fair way of estimating the change.

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19,039. Does that not also involve that prices of commodities have depreciated 34 per cent.?—Yes, that is so with commodities.

Fall in rent and rates in Suffolk.

19,040. Now, taking the adjustment that has already taken place with regard to the new conditions—take the county of Suffolk—has not the rent depreciated by 50 per cent.?—Yes, I think it has.

19,041. Generally speaking, have the farmers had the benefit of the reduction of their rents in the reduction of their assessments?—Not to the full extent, but they have had a benefit in that direction.

19,042. Are you certain that they have not had the full benefit?—Yes, I am sure that is so. It has been the most difficult thing in the world to sit on an assessment committee and to deal with questions of assessments lately. When there is a farm in the district which is really in the market and hangs fire, it is often let at almost nothing; then the assessment committee feel that it will not do to assess that farm at practically nothing or they must do the same all round.

19,043. That of course is a very extreme case; but we will suppose the case of a sitting tenant whose rent is reduced 30 or 40 per cent., does not he get the benefit of that reduction in his reduced assessments?—I think it follows after with considerable slowness.

19,044. Within two or three years afterwards?—It will gradually adjust down to that.

19,045. Does it not gradually take place, and after two or three years does he not get the full benefit of that reduction?—I should think it would take quite five or ten years before he would get the full benefit.

19,046. Have you made a comparison of the actual assessments in particular unions with a view of ascertaining that?—No, I have not; there are hardly two unions which pursue the same course; some make percentage reductions all round and some go through the assessments afresh.

19,047. Still in many cases I think you will admit that although some years may have elapsed yet the tenants have derived the benefit of the reductions of their rent and of the reductions of their assessments?—They are following after.

19,048. Where that is the case the rates have adjusted themselves to the new conditions?—Yes.

Fall in tithe.

19,049. Then the tithe has adjusted itself to the new conditions?—Yes, but that again, as you are aware the adjustment there takes seven years to effect.

19,050. You have already pointed out that that lags behind?—Yes.

19,051. I presume we may take it now at the present moment that tithe has already adjusted itself to the new conditions?—Partially, but I think it will go 5 or 10 per cent. lower than it is.

19,052. Still with that exception it has adjusted itself?—Yes, and the tithe is now nearly universally paid by the landowner in our county.

Fall in labour.

19,053. Then in your own county you stated that the wages had been reduced from 13*s.* a week to 10*s.* or 11*s.*?—Yes.

19,054. Does that not show an adjustment to the extent of 23 or 24 per cent.?—Yes, but from all I can hear I do not think a great deal of the land will continue to be kept in cultivation even at that rate.

19,055. That is another point; I am now asking you as to the actual facts, whether on your assumption the wages have not adjusted themselves to the extent of 23 per cent.?—Yes, speaking broadly.

19,056. I presume that if the prices of commodities all round have been reduced by 34 per cent., the labourer with wages at 10*s.* is nearly as well off as when his wages were 13*s.*?—I think generally speaking the labourers are better off than they were except that there are fewer of them employed and their employment is not quite so certain.

19,057. Then you admit that an adjustment has taken place in respect of wages?—Yes, or is taking place.

19,058. (*Mr. Lambert.*) Not in the purchasing power of the money wages?—I think the purchasing power of the money wages of to-day is probably greater than that of the wages of 20 years ago.

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Fall in prices of manures, and feeding stuffs.

Farmers prospects under present conditions.

19,059. (*Chairman.*) Then I presume that the farmer in his purchases of manures, feeding stuffs, and so forth, gets the benefit of a large reduction there?—Yes, he does; those adjustments follow comparatively quickly.

19,060. And he has got the full benefit therefore in those purchases of the fall in prices?—Yes, that is so.

19,061. Then, taking the position all round, do you not think it is possible that in your district prices may be now on the point of adjusting themselves so that the farmer can get on as well as he did before, having regard to the reduction of rent, of rates, of tithe, of wages, and of the price of the articles that he wants?—I should say without hesitation that your farmer of to-day, with his farm hired at recent rents and with all the adjustments which have taken place is not doing nearly so well as he was 20 years ago with all the higher charges.

19,062. But that was a period of great prosperity?—Yes.

19,063. I am now comparing it with an average period; do you not think that with these adjustments it is possible that he may make a fair average living?—It no doubt will have to adjust itself to that, but I am sorry to say that we have not grappled with the frightful effects of last year's dreadful season yet.

19,064. That is another point I was going to mention; last year and the year before, they were exceptionally bad years, were they not?—Only last year with us.

19,065. Putting last year aside as a very exceptional one, do you not think that with average seasons and with the fall of prices and various changes in the directions I have referred to, the tenant farmer may be expected to do fairly well?—Yes, I think so, after a bit; but it will be part of it on condition that there will be much more permanent pasture, that a larger portion of the farm will be in permanent pasture.

19,066. Has that not got a reference to another matter, namely, the exceptional fall in the price of wheat? I am now referring generally to the prices of agricultural produce?—Yes, I think it has and to the fact that labourdoes not respond so fast as prices.

19,067. You stated that in your own case you lost a portion of your capital?—Yes.

19,068. Do you mean by that that the value of your stock is reduced?—Yes.

19,069. That, in fact, means that the estimate of the actual capital value of your stock is reduced?—Yes

19,070. But the stock is in the same proportion?—Yes. Where one wanted 12*l.* per acre to keep a farm well stocked, now the same stock probably would be only worth about 7*l.* an acre.

19,071. Then a farmer coming in afresh to a new farm and having to stock his farm would be under a great advantage?—It would require less capital to take it.

19,072. In your own case you have got the stock upon the land, although the value is reduced?—Yes, that is so.

19,073. Therefore when you say that you have lost your capital or part of your capital, you do not mean to say that you have got less stock than you formerly had?—No.

19,074. But that the value of that is less?—Yes, I am sorry to say I have had several times to call in money from other sources in order to keep the same head of stock on the farm; the farm has not kept itself.

19,075. I presume that during the last 10 or 12 years you have incurred losses by the adjustment not taking place quickly enough?—Yes.

19,076. And that has been the real difficulty of farmers, that the adjustments that I have referred to have lagged behind?—Yes.

19,077. And that they have been slower in their operation than the fall in prices?—Yes, that is so.

19,078. You have suffered in that way?—Yes.

19,079. But that does not affect the future, I think?—No, I think we should have to have two or three more years before the adjustments would be complete enough to get agriculture again into a normal condition but then with fresh capital and fresh men it could no doubt go on at this low level of prices as it did at the higher level.

19,080. I think you agree that what occurred between 1837 and 1846 may happen again?—Yes.

19,081. That after the adjustment has taken place we may not unreasonably expect a period of prosperity?—Yes.

19,082. Or a period of average conditions?—Yes; but with the dreadful sacrifice of a generation in the interval.

19,083. (*Mr. Chaplin.*) You mean after the present generation has been sacrificed?—Yes.

19,084. (*Chairman.*) You hardly mean that, do you?—That is if you take the present generation from 15 years back.

19,085. Quite so; the people who have been in possession of farms during the last 15 years have incurred considerable losses?—Yes.

19,086. Starting from this moment from to-day, if prices are maintained as they now are, then with the adjustments that have already taken place, and with some further adjustments, yo i think that it is possible that we may have a revival of a fair condition, an average condition, such as occurred between 1837 and 1846?—Yes; if we have reached a stable level of prices, low as it is, things will adjust themselves and go on again.

Effect of appreciation of gold in prices.

19,087. I presume you would also admit that gold having appreciated, according to your view, 34 per cent., the same amount of gold will now go very much further than it did a few years ago?—Yes; but unfortunately that is not the case with all your outgoings; with your school bills and doctors' bills, for instance.

19,088. I am now talking generally of the currency question; gold having appreciated the same amount of gold will go much further than it did a few years ago?—Yes; that is certainly so.

19,089. You are aware also from what Mr. Giffen has said that the production of gold has considerably increased?—Yes; but I think Mr. Giffen omitted this factor in the estimate he formed, that under the Bland Act and under the Sherman Act we have added practically to the gold standard money in the shape of silver which was full legal tender; under the Bland Act it was about four millions a year additional, and under the Sherman Act it was eight millions a year, which has now ceased to be added. So that the additional new gold will not quite make up for what has stopped coming in through the cessation of the Sherman Act.

19,090. (*Mr. Chaplin.*) In fact, we shall be worse off than ever?—Yes.

19,091. (*Chairman.*) You rather fear that the increased production of gold, which has already come about, will not be sufficient to make the adjustment?—I very much fear so. I fear there will be a further fall in prices.

Displacement of gold by silver in the United States.

19,092. (*Mr. Giffen.*) Is the assumption quite correct, that the silver coined under the Bland Act, and the silver purchased under the Sherman Act, took the place of gold in the United States system to any material extent?—Entirely so; it became just the same as the gold, in my view, because paper certificates were issued against it, which passed into circulation and are in circulation to-day.

19,093. But are you quite sure that the United States would not have practically taken about as little gold as they have done, even if this expedient had not been resorted to?—I think that prices would have gone to a still lower level than they have done if it had not been for the additions made to the stock of standard money under the Bland Act and under the Sherman Act.

19,094. But still that is a matter for argument; it would have been possible for the United States to have carried on their monetary affairs without the silver and without any more gold than they have actually used?—Yes, but they could only have done it by submitting to a still lower level of prices.

19,095. Are you quite sure of that?—Yes, as sure as I am of anything.

Probable course of prices.

19,096. (*Chairman.*) Are we to take it that you are of opinion that the prices may go still lower?—I very much fear so; in fact, I decidedly think they will; I think what we have done in India will work that way.

19,097. But apart from that?—Yes, I do not think that the supplies of new gold are sufficient yet to

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counterbalance the effect of the cessation of the additions through the silver in the United States.

19,098. Then in spite of the great reduction of prices all round you think they may still go down further?—I greatly fear so.

Estimated quantity of gold in the world.

19,099. (*Mr. Chaplin.*) Can you give us any estimate of the amount of the existing mass of gold in the world?—I think there was supposed to be about 800 millions of gold existing in the form of coin and ornaments a few years ago.

19,100. So that an annual addition of six millions to an existing mass of that sort is comparatively immaterial?—At the time the Gold and Silver Commission sat they said that the then existing annual production of gold only added about 1¼ per cent. to the existing mass, and that the addition of silver was only about 1½ per cent.

19,101. (*Chairman.*) The addition of six or seven millions a year to the production of gold is in respect of gold which has already according to your opinion appreciated 50 per cent.?—Yes.

19,102. Therefore it goes very much further than it would have gone a few years ago; is that not so?—Still, I think, large as the addition is, in the last year or two it does not compensate for the supply of legal tender money cut off by the silver legislation.

Demand for farms and reduction of rents in Suffolk.

19,103. In your district where farms are vacant will they let; is there a demand for them?—You can let them at a price, but those landowners who can afford to do so are very largely keeping them in their own hands rather than take, say, 5*s.* or 10*s.* an acre.

19,104. Would that mean at a price which is a reduction of more than 50 per cent.?—Oh, dear, yes—a reduction of 75 per cent. often I should think.

19,105. 75 per cent.?—Yes. The best class of farms still command tenants at a much smaller reduction than the poor farms.

19,106. What is the reduction in the case of the best farms?—In the case of my own there certainly is a reduction of 50 per cent. I should think. 50 per cent. on the best farms has been the descent.

19,107. Have you paid income tax on your own farm of late years?—No, I have appealed. I always refuse to pay it and go with my books, and sometimes I have had to pay a little.

19,108. You have claimed exemption on the ground that your profits are below the amount where the exemption takes place?—When I have had exemption it has been on the ground that I had no income; when I have been able to show an income then I have had to pay on that income, not at the half charge, but at the full charge.

Farmers and the income tax.

19,109. Do you think the farmers generally in your district have not paid income tax?—I think there are more farmers who go on paying Schedule B., without any regard to whether they are losing or winning, than who appeal. It is very unwise of them, but I believe that is the case.

19,110. You are aware that the income-tax is not claimed where the rent is below a certain amount, for instance, where the rent is under 240*l.* even the half-rent would come within the limit of exemption?—Yes, it would not be claimed unless the man had income from some other sources.

19,111. I presume, as a rule, the farmers have not got income from other sources?—A large number of those who are still on their feet have, I think, or else they would have been engulphed.

19,112. Is it not the fact that the reduction of rent has very much increased the number of those who claim exemption under that process?—Oh, dear, yes.

19,113. Therefore the reduction of rent has operated to relieve large numbers of farmers from the payment of income tax?—Yes, to put it in their power to obtain relief, and, in fact, they have remissions of it

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Reduction of rent.

19,114. (*Sir Nigel Kingscote.*) You say that the rent of land in many parts of Suffolk has gone down 75 or 80 per cent.?—Yes.

19,115. Which sort of land is that?—The poor heavy land has fallen most of all—the land which is expensive to work and uncertain in yield.

19,116. Has much land gone out of cultivation altogether?—No, it has been more abandoning some of the worse fields to rough grass—it has taken that form rather than the whole farm being abandoned.

19,117. Has any of it been planted?—A few of the great landowners are doing a little in that way, that is on the light land chiefly.

19,118. Do you think that would pay?—I should think it would.

19,119. Better than continuing to cultivate it?—Yes, with very light land I should think so.

Cost o labour.

19,120. (*Mr. Little.*) Upon the question of labour I think you said to the Chairman that there has been a considerable decrease in the cost of labour, or was it merely in wages, would you say that the cost of labour has decreased to the same extent as the wages?—Hardly, I should think.

19,121. Has the total sum that you pay in labour in a year diminished as much as the weekly wages have diminished?—I think my own has. I think my highest labour bill in any one year was about 850*l.* on a farm of a little under 400 acres, and that is now cut down to about 740*l.*, I think.

19,122. Do you find that as much work is done for the money as was done 20 years ago?—No, the general impression is that there is not so much done for the money.

19,123. A given piece of work put out to piece work would cost as much now as it would 20 years ago, would it not?—More.

19,124. More?—Yes, we have to give more per acre for mowing, for instance, a good deal more, nearly double.

19,125. Then all that would tend to show that the weekly wages are not an indication of the cost of labour taken alone?—No, for our harvests we give more per acre than we used to do.

19,126. Then it is not fair to say that because wages have gone down from 13*s.* to 11*s.*, labour has decreased in cost to that extent?—No, I do not think it is.

19,127. The hours are shorter?—In some cases.

19,128. And the young people are paid more, I presume, than they were?—Yes, of course; you cannot employ child labour now.

19,129. No, but the cost of youths has increased a great deal at all events?—Yes. I have been very much struck with this difference between the children of the farmer, for instance, and the children of the labourer; if the farmer wants to put his children into any occupation in the towns. The youths among the labourers directly they go to work are paid, and paid proportionately to the men; but if you have got a son you want to put into anything in town instead of his employers paying him wages they want you to pay them a lump sum down, and the boy's earnings for the next two or three years are practically nothing.

19,130. But then an agricultural labourer of 17 gets pretty well men's wages?—Yes, I believe we pay young people on the farm much better than the employers in the towns—the shopkeepers pay their young people.

Adjourned till to-morrow at 12 o'clock.

Thirty-fifth Day.

Friday, 4th May 1894.

PRESENT:

THE RIGHT HON. GEORGE JOHN SHAW-LEFEVRE, M.P., IN THE CHAIR.

Viscount COBHAM.
The Right Hon. HENRY CHAPLIN, M.P.
Sir ROBERT NIGEL FITZHARDINGE KINGSCOTE, K.C.B.
ROBERT GIFFEN, Esq., C.B.
Captain OWEN THOMAS.
FRANCIS ALLSTON CHANNING, Esq., M.P.
JOHN CLAY, Esq.
CORNELIUS NEALE DALTON, Esq., C.B.
ROBERT LACEY EVERETT, Esq., M.P.
GEORGE LAMBERT, Esq., M.P.
CHARLES WHITEHEAD, Esq., F.L.S.

HERBERT LYON, Esq., *Secretary.*
R. T. CRAWFORD, Esq., *Assistant Secretary.*

Mr. ROBERT LACEY EVERETT, M.P. (a Member of the Commission), further examined.

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19,131. (*Chairman.*) I think you wish to make an observation with reference to the statement by Baron Rothschild which you quoted yesterday?—Yes. I should like to point out that the extract which I gave from Baron Rothschild, of Paris, is a quotation from his evidence on behalf of the Bank of France before the *Conseil Supérieur* in 1870. I have before me here his words in French. I think they are extremely important words as giving the judgment of one of the mightiest financiers of the age. They are to this effect: "As an extreme consequence it would then be necessary "to entirely demonetise silver. That would mean the "destruction of a portion of the world's capital. It "would spell ruin. . . . It is not a question of "discussing the advantages which may exist in the "possession of a single standard. In my own private "opinion it is impossible to realise this idea.

19,132. What is the union which you live in?—The Woodbridge Union.

Rates in Woodbridge Union.

19,133. I asked you a few questions yesterday with reference to the rating in your district. I find that the poor rates have gone down since 1868, in the Woodbridge division, from 1*s.* 7*d.* in the pound to 8·2*d.* in the pound?—Yes, I believe that is so.

19,134. You believe that to be accurate?—I have no doubt it is; I know they have gone down.

19,135. That, of course, does not include the precept rates, the other rates; it is only the poor rate. Do you know what is the position as regards the other rates?—Are you referring now to such rates as the school board rate?

19,136. To the county rate and the school board rate, if there be one?—There is no material difference in them.

19,137. I observe in Suffolk as a whole the rates are low. The total rates appear to have gone down since 1868 from 2*s.* 9*d.* to 2*s.* 1*d.*?—Yes; we reckon our rates including "Highway Rates" to average between 2*s.* and 2*s.* 6*d.* in the £.

19,138. That is very much less than they were some years ago?—Yes, I believe it is.

Reduction in number of farmers in Suffolk.

19,139. I do not know whether you have looked at the figures which have been printed for this Commission extracted from the Census returns of 1871, 1881, and 1891. They show that the great reduction in the number of farmers in Suffolk took place between the years 1871 and 1881 and not between the years 1881 and 1891. In 1871 there are reported to have been 4,654 farmers and graziers; in 1881, 4,026; and in 1891, 3,724. There was a reduction therefore of 628 between 1871 and 1881, and of 302 in the next decennial period; can you account for that?—I have no doubt that would be owing to the swallowing up of the small farms in the larger ones—a process which went on steadily all through the prosperous times.

19,140. Then that accounts for the reduction in the number of farmers you think in the earlier period 1871 and 1881?—Yes, that would be the main cause.

19,141. And not the agricultural depression?—No, the agricultural depression had not been felt then.

19,142. During the first eight years of that period according to your evidence the district was enjoying considerable prosperity?—Very considerable prosperity.

19,143. And it was that which led to some extent to the amalgamation of farms?—Yes, the large man could farm the land cheaper, and could pay rather a higher rent for it than the little man.

Reduction in number of agricultural labourers in Suffolk.

19,144. Turning to the number of agricultural labourers I find that in 1871 the labourers, outdoor and indoor, were 39,080, in 1881 they were 35,500, a difference therefore of 3,500, whereas between 1881 and 1891 the reduction was from 35,500 to 34,100, a difference only of 1,400. Do you account for that reduction between 1871 and 1881 in the same way, namely by the amalgamation of farms and by the consequent reduction in the demand for labour?—I think it must have been. Our land was being continually better and better tilled, but it was tilled rather more on a wholesale scale by more use of implements.

19,145. When attention is called to the great reduction in the number of labourers of late years it must be considered that a large part of it if not the larger part of it, was due to the amalgamation of farms and not to the agricultural distress of later years?—I think that is a fair inference; and also to the great attractions of the town employment competing and drawing the men out.

19,146. I observe that during the same time the number of nursery men, seedsmen, florists, and gardeners increased from 2,195 in 1871 to 2,581 in 1881 and 3,949 in 1891, showing a continued increase in employment of that character?—Yes, that would be immediately round the towns I expect.

19,147. But still offering a considerable employment for labour?—Yes.

19,148. Then it is also stated that the agricultural machine proprietors, attendants, &c. increased from 92 in 1871, to 224 in 1881, and 235 in 1891. That would seem to indicate that between 1871 and 1881 probably owing to the same cause, namely the amalgamation of farms there was a great demand for the employment of agricultural machines, and so forth, consequent upon perhaps, or resulting in, the diminished demand for labour?—Yes, I think that is a fair explanation of it.

19,149. (*Mr. Chaplin.*) Do you mean that the diminution of labour is owing to the introduction of machinery?—To the consolidation of farms through the good times which was continually going on in my county.

19,150. When farms are consolidated then the use of machinery is introduced which would not otherwise be the case; I want to know if that is your meaning?—Yes, and labour economised thereby.

19,151. (*Chairman.*) Between 1881 and 1891 the reduction in the number of farmers may have been due to the number of farms that fell into the hands of the

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owners?—Yes, that was going on very extensively in these last 10 years.

19,152. Then curiously enough there again the main increase in the number of farm bailiffs, such as it has been, was in the earlier period between 1871 and 1881. The farm bailiffs in 1871 numbered 746; in 1881, 934, which is nearly 200 increase; and in 1891, 908, therefore there has been a positive reduction in the number farm bailiffs in the last 10 years?—I wonder whether the census returns are all compiled on the same plan?

Increase in number of game-keepers.

19,153. Curiously enough, on the other hand, the number of gamekeepers has increased by 50 per cent. in the 20 years in Suffolk, the number of gamekeepers having increased from 456 in 1871 to 512 in 1881, and 648 in 1891. Can you account for that?—No, I cannot.

19,154. (*Viscount Cobham.*) Have not the shootings become smaller; have not many big estates been let off to several tenants instead of having one?—I do not think they have in our county.

19,155. (*Mr. Chaplin.*) Has there not been a vast quantity of land devoted to game purposes entirely within the last 10 or 15 years which formerly was cultivated?—No I think not. It is found that game does not do well without cultivation. The Maharajah Dhuleep Singh had an estate on the borders of Suffolk which gradually all fell into his hands because he preserved game so heavily and the times were so bad for the farmers. He abandoned the cultivation of a large part of it, and the consequence was that its sporting quality was much reduced. The partridge and the pheasant both love the plough.

19,156. What is cultivated in those cases such as you refer to now is cultivated I think by the owner for the purposes of the game, is it not?—To a certain extent that would be so.

Consolidation of farms.

19,157. (*Chairman.*) Then I take it that in your opinion between 1871 and 1881 there was a considerable consolidation of farms going on?—Yes there was; it was constantly going on.

19,158. Has there been any opposite tendency during the last few years?—I think there has rather, because the men who can take a small farm now are many more than the men who can take a large one.

19,159. May we take it that the experience of the last 10 years has shown that the landowners made a mistake in consolidating their farms so much in the previous period?—No, I cannot think that. They were able to make a better rent, and the land was cultivated on more economical principles.

Large and small farms compared.

19,160. I understand you to say that the small farms have done better in the last few years of depression, in your district, than the large ones?—No, I did not say that, but I said there are more men able now to take a small farm than a large one, because of the great loss of capital among farmers; that is the only reason.

19,161. That is the main reason for the demand for smaller farms?—Yes.

"Protection."

19,162. Now, looking generally at your evidence, may I take it that in your opinion, Protection would be no remedy for the present state of things?—Yes, I quite agree with that. Protection is quite impossible in this country, and even if we had it, in my opinion, it would not better the condition of agriculture.

19,163. That is the conclusion that you draw, in part historically, from what took place in the third period that you have referred to, between 1826 and 1837?—Yes. Between 1815, when the Corn Laws were imposed, and 1846, when they were repealed, on the whole, was the most disastrous period for agriculture in the century, until the last few years; quite contrary to the ordinary belief.

19,164. Do you think that large classes of farmers benefit from the free imports and low prices of produce?—I think that the free imports are beneficial to the agricultural classes, as well as to the others.

19,165. (*Viscount Cobham.*) Do the Suffolk farmers agree with you in that opinion, generally?—I am afraid they would not. There is a general impression that the days of Protection were days of great agricultural prosperity, but it has no historical truth in it. It is simply because they are not acquainted with the facts that that opinion is so prevalent.

His own losses since 1879.

19,166. (*Mr. Giffen.*) The questions I propose to ask you relate to the changes of prices and the monetary question, but I wish to begin by a short question with reference to what you told us about your losses in farming; I think you said that you have rather lost since 1879?—Yes.

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19,167. Now, in reckoning your losses, do you include or allow for the value of the things produced on the farm which you consume in your own household?—Yes, I keep them quite distinct.

19,168. So that you have had nothing out of the farming at all, and you have rather lost money; you have not even made a living out of it?—I have had a house to live in. I have not reckoned that as part of my income.

19,169. But that is all; apart from that, you have had no living out of the farm?—No; the farm has lived upon me instead of me living off the farm.

Dependence of prices on quantity of money.

19,170. That was just the point I wished to bring out; thank you. You began your statement with reference to the monetary question, with some account of the theory of the dependence of prices upon the quantity of money, and I should like to ask you whether you consider that that theory has been very exactly formulated?—It is the great regulator of price over any considerable lapse of years, in my opinion.

19,171. But the theory has not been precisely formulated?—I hardly know what you mean by that. All economists, so far as I know—old and new—connect the two things intimately together.

19,172. I asked the question because I noticed in the very interesting extracts which you quoted from different authorities—and I have observed the same point before—sometimes the economists speak of the quantity of money in circulation and sometimes they speak of the supply of the precious metals on the markets of the world?—I have noticed too in writings a little looseness in the phraseology. "Standard money," "full legal tender," and "current money," are not always discriminated between.

19,173. That is another point that I intended to ask you about, but the point I am on is a little different. It seems to me that there is a distinct difference between speaking of the quantity of money in circulation and the quantity of a particular commodity—gold—exposed for sale in the markets of the world; and that the two ideas are not the same?—I think the quantity of full legal tender money is what the economists consider to rule price.

19,174. Have you got the statement of the Bullion Committee before you now?—This extract that I have here from the Bullion Committee relates to the amount of Bank of England notes relatively in 1798 and in 1809, both periods within the time of inconvertible paper money.

19,175. I think you read a passage with reference to the supply of the precious metals in the markets of the world, which you quoted from the Bullion Committee?—Yes. This is from the report of the Bullion Committee of 1810, page 10:—"A diminution or increase "in the general supply of gold will no doubt have a "material effect on the price of any other articles." Then on page 7 they say, "An increase in the general "supply of the precious metals raises prices all over "the world"; and on page 25 they refer to the enormous increase of notes of the Bank of England between the periods of 1798 and 1809.

19,176. Still, the language which they used is "the "general supply of gold" and "the general supply of "the precious metals all over the world"?—That is so.

19,177. And not the quantity of money in circulation?—That is so.

19,178. Are not these two ideas somewhat different; gold is not used exclusively for monetary purposes?—No, it is not, but still, while you have open mints, whatever gold is available in any other form can, at the pleasure of its owner, be immediately converted into money.

19,179. Still, the idea is that gold is a commodity which is subject to the same influences as any other commodity, and has its price regulated with reference to other commodities in the same way that those commodities are regulated amongst themselves?—Yes, I think that is so.

19,180. And there is substantially no difference?—None, I think.

19,181. But the idea that prices depend upon the quantity of money in circulation is a somewhat different

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idea?—Yes, perhaps it is. Of course the gold and silver in coin have their value where there are open mints by reference to the quantity of metal that the coins contain.

19,182. Then which idea is it that you would rather adhere to of these two different ideas about the dependence of prices upon the quantity of money?—I think when it is a question of the precious metals that the whole quantity of the metal in the possession of mankind in any form is a material element.

19,183. Is it not rather the whole quantity of the metal which is marketable, and which is brought to market?—Yes, that was what I meant—which could be brought to market if it were wished.

19,184. Which is likely to be brought to market?—Yes.

19,185. If you have a quantity of the precious metals existing in a form that makes it unlikely to be brought to market at all, that would hardly enter into the question of the price of the commodity?—It would not have nearly so much effect, I imagine, on the value of the metal as if it were in a current form—a liquid form, so to speak.

19,186. Still, it is rather to that idea that you adhere, and not to the quantity of money in circulation?—I cannot help thinking, with regard to the precious metals, that their existence in the possession of mankind in any form is a material element in their value as against other commodities.

19,187. (*Mr. Chaplin.*) Is this what you mean to convey: that in your opinion they are all potential money, and, if necessary, could be brought to the mints?—Yes, that is exactly it.

19,188. (*Mr. Giffen.*) Still, they are not money in circulation in the sense in which some authorities have used the word, and have had it in their minds?—My idea is this, that the value of a sovereign does not depend upon the fact that it has been through the mint and has been coined. It has the whole of its value from the amount of gold it contains, and if I had that gold in any other shape, not having been through the mint, it would be of just as great value.

19,189. Then you would not say that prices in England depend upon the quantity of gold in circulation in England?—Not wholly I think. I think the prices would depend upon the whole quantity of the precious metals available, and the whole quantity of commodities against which they could be exchanged.

19,190. And the actual demand for the precious metals for whatever purposes they might be wanted, and the supply of them?—Yes.

19,191. Not exclusively upon the monetary use?—Not exclusively upon the monetary supply, I think, though the monetary supply while you have open mints is always the largest supply, either for gold or for silver.

19,192. I asked the question partly because in discussing the subject myself, when I assumed that the relation between prices and money was a relation between different commodities and the commodity—gold—I found that people were assuming that I had used it in the sense of the quantity of money in circulation; whereas it seems to me that there is a very serious difference between the two ideas?—Yes, I know that the ideas as you put them forth appeared to run somewhat counter to the prevailing opinion among political economists.

19,193. Of course I do not wish to introduce personal questions, but it seems to me that the quotations that you give were not all of the same piece, as it were?—No.

19,194. That they included two different ideas and were very much distinguishable indeed?—Yes, there is no doubt, some difference between the quantity of the precious metals existing in the coined form or in the bar form immediately available for coinage, and the whole quantity, including the wedding rings and the jewellery, and all manner of uses of the precious metals, from which they are very unlikely to be taken to be converted into money.

19,195. As a matter of fact prices may vary almost indefinitely with the same quantity even of standard money, would you admit that?—No. I do not admit that at all. Commodities will vary in price through circumstances affecting each particular commodity itself. Something in the season or something in the supply or in the demand of the commodity,—of any commodity and every commodity—has a distinct influence upon its value as compared with anything else. Money being half of every bargain, the greater or less supply of money has a uniform effect.

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19,196. You assume that it has a uniform effect?—Yes, all round on all commodities.

Effect of inconvertible paper on prices.

19,197. Have you looked at any instances of the quantity of inconvertible paper with reference to the range of prices in those countries which have inconvertible paper for the standard?—I am most familiar with the conditions of the inconvertible paper of our own country between 1797 and 1819.

19,198. Did prices vary exactly in proportion to the quantity of that inconvertible paper?—I think in as near a proportion to it as those lines on the chart on the wall maintain parallel relations.

19,199. They are not quite parallel?—Not exactly, but substantially. Here is evidence given before the Committee of the House of Lords which sat in 1837 by a Mr. John Lewin, a large farmer and miller, near Wickham Market in Suffolk. He said:—"We have "always had better prices when the currency has been "expanded and when it is contracted they are lower. "I have watched for 20 years the bank circulation; the "issue of county notes expands and contracts with "it."—Banking at that time was entirely free, as I understand, and every provincial banker was allowed to issue all the notes he liked.—"When the Bank of "England has increased its issues our prices have gone "up; when they have been contracted our prices have "gone down."

19,200. But that is not the period of inconvertible paper that I am on. Have you looked at any period of inconvertible paper besides that of the beginning of the century?—No, I have not; there has been no other period that I know of in English history.

19,201. But there have been periods of inconvertible papers in other countries?—They had assignats in France, which, as they became abundant, became of such small value, and prices rose so enormously, that everything was thrown into utter confusion.

19,202. But was the change of prices even then exactly in proportion to the abundance of the paper?—Yes, they followed parallel lines, as I understand it.

19,203. But not exactly in proportion—you cannot say that of your own knowledge?—No, I cannot.

19,204. Was there not a recent case of inconvertible paper in the United States?—Yes.

19,205. To what premium did the inconvertible paper go?—I do not know, but I know that it rose to a high premium.

19,206. And then the premium fell?—Yes.

19,207. Was there not a case in the beginning of 1870 in which without the slightest change in the quantity of that inconvertible paper in a few months there was a general fall of prices of something like 15 or 20 per cent.?—In the United States?

19,208. In the United States?—I am not able to answer that of my own knowledge. They returned to cash payments in 1879, did they not?

19,209. That was long before they returned to cash payments; all at once you seem to come to a moment in which without any change you have that remarkable fall in prices?—I suspect that would be owing to some circumstance connected with the Civil War.

Dependence of prices on quantity of money.

19,210. This was after the Civil War; it was in the time of peace, after the Civil War. The point I wish to put to you is whether you are aware of these cases which illustrate the theory of the dependence of prices upon the quantity of money?—No, I have only generally read that where that paper money which was full legal tender money, has been issued plentifully, it has always been accompanied with a great rise, and that whenever they have returned from the use of that inconvertible paper money to the solid metal there has always been a great fall in prices.

19,211. But that is a very different thing from saying that prices rise in proportion to the quantity of money issued, and fall in proportion to the quantity of money taken away?—I can quite believe that the parallel of the lines would diverge occasionally, still, however, maintaining general resemblance.

19,212. In fact there is no exact proportion at all, and you have a case like that in the United States in which

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without any change in the quantity of the standard money at all, you have a great change of prices?—Indeed; I was not aware that that was so. But this is a world in which you can never get a hold of any one single influence and say: this is the only influence at work, and whatever changes grow out of this influence it is a world in which there are so many influences at play, that it is very difficult to say sometimes which is the most important influence.

19,213. Still if a Government proposes to take action on the assumption that by infusing a certain addition to the quantity of standard money they are certainly going to affect prices in exact proportion to what they add, are not these cases sufficient reason for the Government considering very carefully what really they will do?—Yes; but I think the Government would not be justified in considering that they would raise prices in exact proportion to the increase of money; they might however be certain that an increase of money would have some effect in producing a rise, but what that rise would be would be modified by other influences.

19,214. It might or might not produce the effect according to circumstances?—The extent of the effect would be modified by other influences which also might be at work.

19,215. Do you know the recent experience of the Argentine Republic?—Paper money has had an enormous effect in stimulating agriculture there I know.

19,216. But is it not the case that you have had the most rapid changes in prices without any change in the quantity of the issues of money?—That I did not know. If it is so I expect that would be owing to an apprehension that the Government would not be able to keep the money going perhaps; when they issued more it would not raise prices very much, because people would be afraid to take it.

19,217. Then other influences come into play?—Yes.

19,218. It is not merely a question of the relation between the quantity of money on the one side and the quantity of the commodities on the other side?—I do not think you can lay down more than a general principle which will be played upon and modified by the thousand other influences which are always present in human affairs.

19,219. When I was giving my own evidence you called my attention to the increase of gold which went on not only up to 1872 but for two or three years afterwards?—Yes.

Fall in prices and supply of gold.

19,220. Was not the effect of that to show that along with the increase of gold—the standard money—in the United Kingdom, the fall of prices which we are discussing had actually begun?—I think the fall did not begin until after the supply of gold in England had become from a maximum quantity a minimum quantity.

19,221. Did not the fall of prices commence in 1874?—No, I think not. I am speaking from memory, but I have got the index numbers here somewhere. I know our farming went on flourishing until 1879; 1878 was the best year as a farmer that I ever had.

19,222. I am speaking more of prices generally; I think the fall of prices commenced quite before 1879?—The first material fall in general prices, the great fall, was in 1878, I see according to the index numbers.

19,223. I am not speaking of agricultural prices, but general prices. Was there not a fall as early as 1874 even?—A small one.

19,224. Still the fall commenced at the time that gold was increasing in the United Kingdom according to the point to which you drew my attention?—I do not imagine that the gold in one single country would be a fair test, because there might be something which for a year or two enabled that country to draw to itself a larger proportion than it could keep.

19,225. Still, the question shows that the connection is a little indeterminate?—Yes. There is an undoubted very intimate connection, and you can always say that a large increase of money continued over a considerable period will be attended with a rise in price, and a contraction in the supply of money even more surely will be attended with a fall in price.

19,226. Would you say, "If continued over a considerable period will probably be attended," would that not be the more correct way of putting it—you do not know sufficiently to say that it "must be"?—I should have thought we might have said—looking at historical experience—that it must be.

19,227. But still you do not think that any addition to the standard money will raise prices, and any diminution will lower them; you speak rather of large additions continued over considerable periods, and large withdrawals continued over considerable periods?—Yes, I think undoubtedly that is an accurate way of putting it.

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Changes in currency and changes of prices.

19,228. Then with regard specially to the quantity of money in circulation, which is sometimes used in the sense of mere currency, is it not the case that ordinary changes in the quantity of currency in use follow, and do not precede changes of prices—is there not a great deal of evidence to that effect?—That the quantity of money in circulation follows the change in prices instead of preceding it.

19,229. That is, the ordinary amounts of currency I am speaking of?—I should have thought they would have proceeded side by side and step by step.

19,230. Have you read Tooke's history of prices?—I have read it, but I am afraid I do not carry it in my head.

19,231. Is that not the view which Tooke undertook to demonstrate, and which I think he demonstrated to a very large extent, because he gives continual cases of rises of price in which the movement of price undoubtedly preceded the increase of the quantity of currency?—Of course a great contraction of money in sight would produce a great effect on the minds of men. For instance, on the return to cash payments the actual passing of the measure did not affect to the extent of a pound probably the money in circulation, but it had an effect on men's minds, and they knew that there must follow a contraction in the supply.

19,232. That refers to a great change; I am speaking now of the ordinary changes in the quantity of currency which take place between good periods and bad; you have not studied the question on that point?—No, I am afraid not enough to be able to give testimony that would be very valuable. Prices have certainly to accommodate themselves to the quantity of money in circulation. The world could do its business with half the money it has now, but it would only do it by the prices being reduced one half, or something like one half.

19,233. Might it not do it by a greater economy in the use of what you have?—I do not think that affects price. Take our cheques for instance, and things of that kind; all that they do is to spare you the trouble of handing the actual standard money about.

19,234. But then they alter permanently the quantity of the standard money which you would require to use?—Yes, but I do not think that they affect prices.

19,235. Surely that has an effect upon the exchangeable value of that standard money permanently?—I do not think it has. If you take a cheque it is simply a bit of paper with an order to pay you so much standard money, and it represents the value of that standard money.

19,236. But as it is now we work our business in the United Kingdom with about 60 millions sterling of gold, and, but for the cheque system and other causes, we should have to work it with three or four times 60, would that not affect the exchangeable value of gold by creating a very large demand for it?—I am not sure, I believe there are countries in Europe, Spain and France, for instance, which have per head of the population a great deal more money than we have in England, but the level of prices is not affected by it.

19,237. No doubt the level of prices in a particular country is the same as it is in other countries because they must all act together?—Yes.

19,238. Does not the demand for the precious metals in these countries constitute a reason why the precious metals exchange for more than they otherwise would do; if these countries were equally economical with us the value of the precious metals might fall?—I am very dubious on that point, because it looks to me that all our cheques and paper representatives of money are nothing more than representatives, and when you exchange a cheque for wheat or anything else you exchange your wheat for so much of the precious metal as that cheque represents, only you are saved the trouble of actually handling the precious metal by your confidence that that cheque could be turned into that if it were required.

19,239. But surely anything that alters the quantity of the precious metals which are demanded for certain

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purposes must affect their exchangeable value also?—I do not think economies in the way that we have them in England, minimising the actual handling of the precious metal affect the value of the precious metal in any way; they do not increase its quantity in any way, or diminish its quantity; they simply save you the trouble of handing it about.

19,240. Surely they enable you to work with 50 millions where perhaps you would require 200 millions?—Yes, undoubtedly they do that.

19,241. And if you required 200 millions, went into the market to get it, and offered commodities for it, surely prices would fall?—And yet that reasoning being correct, you would imagine that in those countries which possessed, we will say, four times as much of the precious metals per head of the population as we do, prices would be higher than they are here.

19,242. No, prices would be at the same level all over the world, but the demand for the precious metals in the form of money in that shape, in the form of currency, is one of the reasons why the precious metals exchange at a certain rate for commodities. If we require no part of the precious metals for currency then we might use them as standard money without affecting their value at all?—I am afraid I am not able to say that economies in the handling of the money enable us to do with a smaller stock of it though they really affect the value of the precious metal itself.

19,243. They do not tend *pro tanto* to diminish the exchangeable value of the metal?—I do not think they do.

19,244. Would economy in the use of any other substance tend to diminish its exchangeable value?—Yes, I think it would.

19,245. Then what is the reason of the difference between the precious metals and any other commodity?—A general lessening of the demand for wheat would probably have an effect upon the price of wheat, and a general lessening of the demand for gold ought consequently to have some effect upon the value of gold.

19,246. Still I am quite content with your general answer that you do not affirm that any addition to the precious metals raises prices and that any diminution lowers them; you confine the remark to prolonged additions on the one side and prolonged withdrawals on the other?—Yes, or at any rate large in amount—they must be considerable additions or withdrawals. Of course the larger the stock in the possession of mankind becomes the larger annual addition or contraction is required to have any perceptible effect.

19,247. Would not that depend upon whether the stocks required additions and renewals very much?—That goes on constantly; there is always the annual liability to wear and tear and to loss. That is not much of a varying quantity.

19,248. If the stocks were very firmly held, say, and there happened to be a great scarcity of production would not the value of the metal rise much more than if the stocks were not firmly held—it is not merely a question of the quantity only, it is a question of the holders as well?—Probably to some extent.

19,249. Probably to a large extent judging by the conditions of other articles?—Yes, and of course with the precious metals there is always a leakage going on, they are being taken for the arts say and the wealthier nations become the larger that consumption probably is and very little of that gets back again to coin, I expect.

19,250. That would be so; it is not merely a question of the stocks in existence?—No.

Effect of silver discoveries on agricultural prospects.

19,251. With regard to the interesting statements about the different price eras which you mentioned you would not say, I suppose, that agricultural prosperity in the two centuries after the silver discoveries was entirely due to the abundance of silver?—Not entirely, but it acted as a stimulus I think all through that period.

19,252. Would you say that the condition all through was uniformly one of prosperity over such a long period?—No, I could not say that; of course seasons come in, and wars between nations and bad laws—bad legislation.

19,253. Were there not great improvements in agriculture going on in those periods?—Yes, I should think there were on the whole. All last century as a whole was a time of fair agricultural prosperity I should think, from my reading.

19,254. I am specially speaking of the two centuries before?—That is you would start about 1600. The influence of the new gold and silver began to tell very heavily in the last half of the century of the 1500's.

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19,255. That is what I understood you to say?—The reign of Queen Elizabeth was the period in and from which it was operating powerfully.

19,256. Would you regard that as a time of agricultural prosperity down to the 1600's.?—Yes, right away from the time of Queen Elizabeth down to the beginning of the present century.

19,257. You meant to include the 18th century as well?—Yes.

19,258. I did not understand that; I was going to ask you whether you meant to include the 18th century?—Yes, I think, on the whole, the tendency of prices was a little upwards all through the period.

19,259. Was there much rise of prices from the middle of the 18th century till towards the end of it?—No, the 18th century was a century of very steady prices if you take any period of five or 10 years together.

19,260. Until about the end of it?—Until the inconvertible paper which was generally adopted when the great and terrible French war broke out.

19,261. Was there any rise of price between 1780 and 1800?—Yes, I think there was. I remember reading in Arthur Young about that. He attributed the rise in prices to the quantities of money that were brought into England after the conclusion of a foreign war; I think that was his opinion that great quantities of money had come into the country then, and that they gave a stimulus to agricultural industry.

19,262. That was before the suspension of cash payments?—Yes, that would be hard cash.

Rise in prices of commodities and labour between 1560 and 1880.

19,263. Of course the continuous rise of prices from about 1560 down to the end of the 18th century is a very well-known phenomenon which has often been discussed?—It is.

19,264. I think that is one of the subjects of a well-known chapter in Adam Smith?—Yes, and another interesting fact is that all through last century war on the Continent of Europe instead of raising the prices of agricultural produce in England lowered them rather.

19,265. That was Arthur Young's opinion, I believe?—Yes, and you will see passages which prove that in the speeches of Mr. Western, Mr. Cayley, and several of the great agricultural members in the many debates on agricultural distress in the first half of this century.

19,266. Then the common idea about war prices being always high is not quite sound?—That is so. But then, of course, the circumstances were different. England was an exporting country on the whole most of the last century, and during a great many years in it we paid a bounty on export to encourage the growth of the export.

19,267. I believe that all through that period the rise in the price of labour was not exactly parallel to but very much in the same direction as the rise in commodities generally?—I believe so.

19,268. I have seen index numbers relating to that time; there is an index number especially of Sir George Shuckburgh Evelyn in which he puts labour along with the other commodities, and the rise in labour appears to be as much as the rise in other commodities, to the best of my recollection?—I am interested in hearing that.

19,269. You have not given attention to that?—No, I have not. Pauperism, I believe, was very nearly extinguished in England about the middle of the last century.

19,270. Then did you observe that although it is quite true that measured by many common commodities there was a great fall in the value of money in these two centuries or two centuries and a half, yet there were a good many articles whose price rather fell than rose, but perhaps you have not given attention to that point?—No, I have not. There was a general and large rise in prices, but I am not able to follow the detail in regard to individual commodities.

19,271. Take an article like sugar, for instance?—It is a curious thing, but you know sugar is an article of quite modern production. The Romans for instance

had to drink, I was going to say their tea, without sugar. There was no sugar till about the time of Oliver Cromwell I think, and they had to trust to honey and things of that kind.

19,272. I think you will find references to the use of sugar before that date?—I think not; at any rate it is only a matter of the last two or three, or four centuries; it is quite a new production.

19,273. Can you speak about the price of iron?—No, I cannot.

19,274. It is a very important article?—I cannot——

19,275. What I wish to bring out is that, although you have a general rise in certain leading commodities and in labour, yet over such a long period you have had changes in other articles—very important articles indeed—in a different direction?—I have no personal knowledge of that.

Prosperity of agriculture and condition of labourers compared at beginning of 19th century.

19,276. Then coming to the second era, was not the prosperity of agriculture at the beginning of the century partly at the expense of other industries?—My impression was that it was not so. I think our exports and imports towards the end of that period of high prices were enormously larger than they were in the next 10 or 20 years of the era that followed.

19,277. Still, I think you told us that the condition of the labourer generally was not very satisfactory during that period?—No, it was not satisfactory during the first half of this present century, but from what I have read, I have gathered that the labourers were better off in the first 20 years than they were in the second 20 years of the century, because in the second 20 years though things were lower there were hundreds and hundreds who could not find any work to do.

19,278. Still, the labourers of the early part of the century did not participate in the prosperity of agriculture to which you have referred?—They did not get their fair share; I willingly admit that.

19,279. If they had got their share, if they had got a larger share than what they did get, the prosperity of the landowner and of the tenant farmer would not have been quite what it was?—Not quite. I fancy that labourers on the farms in those days were paid a good deal in kind, so that their money wages in that period do not altogether represent how it fared with them.

Depreciation of gold at beginning of 19th century.

19,280. That was what I meant by the prosperity of agriculture being a little at the expense of other classes of the community. What was the discount on inconvertible paper at the beginning of the century?—I cannot follow the figures in regard to that. Gold at one time, I think, got to be worth about 5*l.* an ounce, did it not, measured by the paper money at the highest point of all?

19,281. It was not more, at the outside, than 20 to 25 per cent. and usually it was about 15, I think, when it was depreciated for a certain time?—Yes.

19,282. But the general rise of prices was much greater than that depreciation of the paper money?—Yes, it was much greater.

19,283. Then that was a depreciation not only of paper, but a depreciation of the precious metal, gold, as well, that you had in the beginning of the century?—The year 1799 was the most disastrous agricultural year for a long period, either behind it or before it. The year 1800 was a very bad year too. In the year 1816, they had a dreadfully wet harvest. Those circumstances had something to do. I daresay, with increasing the price, and probably the fearful war that was raging during most of that time was contributory, to some extent.

19,284. Still, using the language we use now when we speak of the appreciation of gold being equivalent to a general fall of prices in gold, would not the general fall of prices at that time, much in excess of the discount on the paper money, be properly described as a depreciation of gold, whatever were the particular causes affecting particular articles?—I think it would so far as I can see. I am aware that the rise in prices was larger than the difference between the gold and the paper money.

19,285. Then that was a depreciation of gold as compared with the time just before that; the rise in commodities was larger than the rise in the value of the gold, rather?—Yes; that would be a depreciation of gold, I suppose.

19,286. I am wishing to bring out the facts, just now, so as to have it on record that it was not merely a question of the issue of paper money which caused the rise of prices at that time?—The purchasing power of an ounce of gold during that time was considerably less than it had been in the previous time.

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19,287. That is my point. I think you told us that the effect of issuing inconvertible paper is to supersede and displace the metal it more or less represents in actual circulation?—That, I believe, has always been its effect.

Effect of issue of inconvertible paper on metal currency.

19,288. And the paper and not the metal becomes in effect the working standard?—Yes; the 1*l.* and the 2*l.* notes were the money of our fathers in those 20 years; they did not handle much else except in the way of small change.

Effect of changes currency.

19,289. Coming to the third era, that is to say, to the fall of prices from about 1815 and 1820 down to 1846 you spoke of the threat to resume specie payments about 1816 as causing a fall of prices then?—Yes. That is graphically described in the petition which I quoted which was presented by the City of London to Parliament.

19,290. Would you say then that great changes in currency matters, or even threats of changes, are apt to cause great disturbances?—Yes, that is so, and especially it was so then when the provincial banks were perfectly free, and when they issued their notes just as they liked.

19,291. And that applies generally to any great changes in the foundations of currency or money?—Yes, undoubtedly.

19,292. Have you paid attention to the recent monetary history of the United States?—I am afraid I could not bear a close examination in detail on it. I have paid a general attention to it.

19,293. Could you say whether or not the passage of the law for increased silver purchases in America in 1890, and the prospect at one time of carrying the measure for the unlimited coinage of silver in that year, produced something like a panic in the United States? I am speaking of the Sherman Law for the purchase of silver which was accompanied at that time by proposals for the unlimited coinage of silver, and I am asking whether as a matter of fact these proposals did not produce something like a panic in the United States?—There was a great jump up. Silver went up day by day, measured in terms of gold, in a way perfectly marvellous to see, and the price of wheat in England substantially followed it. I noticed that with great interest at the time.

19,294. But there was a great amount of disturbance and apprehension in the United States?—There was; and there was a great deal of speculation based upon it.

19,295. Changes of that kind therefore are full of danger in the actual making of the change?—They are sure to produce great effects.

19,296. Would you admit that the proposal to pass a bimetallic law in this country if it came to look like business would probably cause a panic at first, whatever good effect it might have afterwards?—I am not disposed to think that that would be so, because it could only be ripened to a point to pass the Houses of Parliament after a good deal of previous discussion, and the Houses of Parliament would not pass such a measure unless the greatest financial authorities whom they had in those Houses and outside had come to a general agreement that it was a wise and a right thing to do.

19,297. Still the proposal in the United States in 1890 did cause something like a panic?—The free silver party expected then to carry a measure for the free coinage of silver, but in the end the forces arrayed against them were so mighty that the question was compromised by the Sherman Act.

19,298. And there was a great amount of apprehension and disturbance of people's minds in the United States in consequence of these proposals?—They produced a great effect on the gold price of silver—very greatly to the advantage of everybody who had commodities to sell or who had silver securities.

19,299. But beyond that was there not a great amount of panic and apprehension in the United States in that year finally culminating in a very serious money panic indeed—much more serious than we had in this country even with the Baring crisis?—The money panic in

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America was some time after that, was it not, and could not be directly connected with it?

19,300. But the period of apprehension began before and went on for a long time; is that not so?—I must say that to me the great outcries which we read in the London papers about the shortness of money in America and the danger of their proceedings under the Sherman Act appeared to be gross exaggerations of actual truth.

19,301. But was there not an actual foundation for those statements in what was well known to be going on in the United States at that time?—Gold was coming away from there here, but that was the only foundation for it. They tell me that when the great crisis arose in America the silver certificates were at just as great a premium as gold itself, and that the difficulty was to get money in any form.

19,302. Still you admit generally that such changes are apt to cause a disturbance, and sometimes panic?—They are undoubtedly.

19,303. But you think in particular for the reasons which you gave, that the attempt to pass a bimetallic law in this country might not have those effects?—My opinion is that it would not, because we should walk up to it by gradual steps, and the judgment of the country would concur with it before it would actually be done.

Proposal to introduce bimetallism in 1830.

19,304. But you are quite aware that when a proposal was made in this country in 1830 to introduce a bimetallic system, the answer given to it at that time was "You must not speak of such things, because if "you do you will have a panic"?—Mr. Huskisson used such language, did he not?

19,305. Lord Althorp, I believe, when in the Government of which Sir Robert Peel was a Minister, and Sir Robert Peel himself was very much opposed to the proposal; one of the grounds taken was that if you attempt to make such a change you will have a panic, was that not so?—I believe, in the course of discussion, statements to that effect were made, but there were a great many statements made.

19,306. Still, that was not merely an ordinary statement, but the deliberate ground taken up by the Executive Government of that time?—Of course we continually hear statements made by great authorities in the Houses of Parliament which go in at one ear and out at the other.

19,307. Still that was the ground taken up by the Government at the time, and it is in general accordance with the opinion which you have expressed that great monetary changes are likely to cause disturbance and panic?—Yes, I think there is no realm of human affairs in which it becomes you to be more careful, and sure of the ground on which you are going to set your foot down next, than in this realm of monetary legislation. It has wrought many evil consequences in the past, and a good many of the great steps that have been taken have been taken, I am afraid, very much in the dark.

Effect of Sherman Act in the States.

19,308. You had a great deal of panic in the United States about two or three years after the passage of the Sherman Act, when the question was raised whether it ought not to be repealed or not?—Yes.

19,309. Currency questions of that kind may not produce their full effects all at once, but may produce panic very shortly after when their effects begin to be felt?—The legislation which took place in America under the Sherman Act satisfied nobody; it was altogether short of the true bi-metallic theory.

19,310. But as a matter of fact it became a very serious matter indeed from two to three years after the passing of the Act, and disturbed the whole foundations of business in the country?—I confess I could not see the connexion between the two events. The difficulty in America arose from want of money, and it seemed to me a very strange thing to say that a measure which added eight millions a year to their full legal standard money could be one of the means which made them short of money.

19,311. But as a matter of fact there was great commotion and disturbance in men's minds?—There was, which was I was going to say very skilfully wrought up from London by our papers as it appeared to me.

19,312. But as a matter of fact you admit the commotion and the disturbance?—Yes, certainly.

19,313. And although the money of the United States in circulation had increased very much two or three years before 1893 yet the effect was the same as a contraction of money—they had not money to carry on business with on account of the discredit?—If I remember aright alongside of this great increase of money under the Bland and Sherman Acts there was also proceeding a retirement of their legal tender paper money which this increase of the silver money only just about made up for.

19,314. Is that quite so?—I am not sure of the exact figures.

19,315. Are you not speaking now of the withdrawal of the National Bank notes?—Yes.

19,316. There has been no withdrawal of the legal tender money of the Government since about 1867 or thereabouts; it has been absolutely prohibited by law?—You mean the Greenbacks I suppose.

19,317. Yes, the Greenbacks; there has been no possibilty of withdrawing Greenbacks but in consequence of taxation I believe a good many years ago the national banks found it no longer profitable to continue the issue of their notes, and their notes for some years diminished; is that not the more likely explanation?—I know that they have several kinds of paper money in circulation in the United States, and I have read that during recent years there has been a continual contraction of that paper money.

19,318. Did not the contraction of the bank notes practically come to an end several years ago?—I thought not.

19,319 You are not acquainted with the facts in detail?—No, but I have had under my eye again and again the reports of different bodies in America as to the different kinds of money in circulation there.

19,320. I believe I may say with absolute certainty, having followed this point very carefully, that the contraction of the bank notes came to an end some years ago, and that there has been no further contraction since—I cannot say what has been going on within the last few months?—Of course you are as high a statistical authority as the world possesses, but I certainly thought I had read within the last two or three years reports from official quarters in the United States which showed that the volume of paper money there was still being decreased, and decreased to as large an extent as the additions of hard money that were made by the Sherman Act. But I have not such figures within my reach now. I will look at that again, but of course I accept you as being an authority of the very highest character in regard to facts like that.

19,321. As a matter of fact you would not be prepared to dispute that for two or three years before 1893, the amount of paper and other money in the United States had increased—putting it all together?—No, I should not, but I did not think it was so.

19,322. Yet, in spite of that, you had a great feeling of contraction and scarcity of money in all quarters?—Yes, and everybody who had money was hoarding it as I understood. I carefully inquired whether any difference was shown with regard to the silver certificates and I was told: No, they were at just as much at a premium as any other form of legal tender.

19,323. So that that was another illustration of the point that the same quantity of money has different effects at different times, according to the state of men's minds?—Yes, that is a very pertinent illustration. They had the money in the country, but a panic fear kept it shut up so that they could not use it.

19,324. Is it not a common case that after a period of panic the quantity of money in circulation diminishes?—Yes, I should think it is. Timid people who have got hold of any money hide it up and stick to it.

Effect of panics on quantity of money in circulation.

19,325. And money begins to be abundant to those who use it, although there is actually a less quantity of it about than there was just in the time before when everybody was short; that is a common feeling?—Yes, when the panic is over, the money begins to come out of its hiding places again.

19,326. The fall of prices which took place in 1820 and afterwards, was a fall of prices during a period when, I think you have told us, there was an effective double standard maintained by France?—Yes; the existence of the double standard could not save you from the effect of a great retirement of legal tender paper money, which paper money had also been put in circulation, as I understand it, on the Continent of

Europe as well as in England. They also were trying to get back to cash payments at the same time as we were.

Effect of double standard on prices.

19,327. Still you admit, then, that a double standard by itself is a standard with which you may have a very considerable fall of prices?—Yes, if you once allow legal tender paper money to come in in a large volume, and then retire it.

19,328. But whatever the cause, you admit that it is the case that with the double standard, you may have a great fall of prices as well as with a single standard?—That is hardly a fair way of putting it, because the double standard was in suspension during those 20 years. They had introduced practically another standard, which displaced it for 20 years, and then when they reverted back they had the transition to make from the 20 years of another standard.

19,329. Was there not the same thing in 1873, when the United States were making a transition from paper to a metal standard?—They made that transition really in 1879, did they not, when they resumed cash payments?

19,330. In 1879 the resumption took place, but still that was also a transition from a paper to a metallic standard?—Yes.

19,331. So that I am quite right in comparing the period from 1820 downwards with the recent period, as both periods in which there was a general fall in prices, the one being a fall of prices in a double standard, and the other a fall of prices in a single standard?—Yes, I think whether you have a double or a single standard, if for a considerable period of years you break it off and interpose a paper money standard, then when you go back from the soft money, the paper money, to the hard money again, you are almost sure to have a catastrophe.

19,332. There is a liability to a fall of prices in a double standard just as there is in a single standard?—But I do not admit that in either case a double or single metallic standard was in operation during these periods of the paper money.

19,333. But metallic standards were in operation in the period first of all from 1820 to 1846, and then in the period from 1873 to the present time?—Yes.

19,334. There were metallic standards in both cases?—Yes.

19,335. In the one a double standard; in the other a single standard?—Yes.

19,336. In both cases you have had a general fall of prices?—Yes; but your fall was only coming down from your balloon—your paper money to your metallic standard again.

19,337. Still a double standard is not a preventative of a fall of prices when the circumstances favour it?—Not if you suspend it and introduce a period of paper money standard.

19,338. Is it a preventative of a fall of prices at any other time?—I think it is. Of course there is no absolutely perfect standard.

19,339. Still the facts you have stated to us do not seem to indicate that there is any difference in point of usefulness between a double standard and a single standard?—The great difference between the two is that the one depends upon the variations in the supply of one metal only and the other upon variation in the joint mass of the two, and the experience of history tells us that over periods of considerable duration the joint supply of the two metals is a very much steadier quantity than the single supply of one of them.

19,340. But considering all the facts which we have been bringing out as to the indeterminate character of the relation between the quantity of the precious metals and prices, have you any facts to show that prices are steadier when there is a double standard than where there is a single standard?—Yes, I think all last century, for instance, when we had the joint standard we had very steady prices.

19,341. Have not prices been very steady in India with a silver standard?—Yes, silver has in recent centuries been a very stable standard.

19,342. Supposing they had had a double standard, supposing all the world had had a double standard, what would the range of prices have been in India probably with that double standard? Would they have been more or less steady than they have been with a single standard?—I think they would probably have continued about equally steady, because we had enormous discoveries of gold at one time, and now we have been recently having very large ones of silver.

19,343. Then the prices of the world would have been silver prices?—They would have been prices based upon the double legal tender.

19,344. I am merely speaking on the question of steadiness, and I am giving India as an illustration of a steady single standard?—Mr. Courtney used a singularly happy illustration, I thought, in a paper he read the day before yesterday at the Mansion House. He was standing then, and he said: I stand on my two feet, but I never have exactly the same pressure on one foot as on the other; sometimes a little more on one and sometimes a little more on the other; but still I am always on the two, and being on the two I stand much firmer than if I stood on one alone. I thought that exactly fitted this particular subject.

19,345. My opinion is that these kind of illustrations are apt to be a little misleading, and I wish to get at the facts. Have you any evidence to show that prices are likely to be more stable with a double standard than with a single standard?—I think there is most ample evidence of that.

19,346. What is it?—The influences which vary prices as measured by the precious metals are changes either in the supply or the demand. Now if you take the question of supply, the experience of history unquestionably is that you have a steadier annual supply of the two metals jointly than of one separately. Then, if you come, on the other hand, to questions of demand, if you have the two metals in joint use you escape such fluctuations as we have been grievously suffering from in the last 20 years by one or more nations suddenly changing from the use of one of these metals to the other.

19,347. That is a theoretical statement?—It is a very painful matter of fact which many of us agricultural people are groaning under and suffering from at this very moment.

19,348. I have just been pointing out to you, and you have admitted, that with a double standard you had a great fall of prices between 1820 and 1846?—Yes.

19,349. And that with a single standard in recent years you have also had a fall of prices; then I have pointed out to you that in India with a single standard you have had stable prices over a long period. Now I want to know not whether you can give me a statement that prices with a double standard ought to be more steady than prices with a single standard, but whether you can give me any illustrations from experience that prices as a matter of fact are steadier with a double standard than with a single standard?—I must respectfully say that I do not think you quite fairly deal with the double standard in the period after 1819 because it was the fact that that standard had been suspended for 20 years which made the great fall in prices when we returned to it.

19,350. But it was only suspended in England, and in England we did not return to the double standard?—I remember in the report on agricultural distress in 1821 and 1822 it is stated that we were getting back to cash payments at the same time that other nations in Europe were doing the same thing, so I suspect they suspended the use of coin a great deal too.

19,351. Still you do not know the facts very exactly yourself?—No.

19,352. You cannot give me any illustrations then of actual steadiness of prices under a double standard greater than what there is under a single standard?—No, I think not. The prices through last century were very stable under the double standard, but the prices in India under the single standard have been equally steady.

19,353. Have you any opinion as to whether gold and silver are more likely to rise in value from the present point or to fall in value; have you any ideas on the subject?—As compared with one another do you mean?

Course of gold and silver prices compared.

19,354. Is it more likely now that gold prices will rise supposing you keep the present arrangements in existence or that silver prices will rise?—I think that gold prices are certain to go on falling if the present arrangements continue.

19,355. And silver prices?—In silver standard countries, do you mean?

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19,356. Everywhere. Of course if they fell in standard countries that means a universal fall to all intents and purposes?—Gold is now used over a very large area, and if further demands are made for its use in India it will inevitably rise in value still more, and prices measured by gold will go down.

19,357. It is also quite possible that it may be more likely that gold prices will rise from this point than that silver prices will rise from this point, and that therefore, as far as agriculture is concerned, it will be better to stick to gold than to put the gold and silver together, because with the two you would have a smaller rise of prices than you are likely to have with gold alone?—I do not think we can possibly stay where we are. The difficulties in India are gathering fast and thick, and it is inevitable that something will be done. They may try to put India effectively on a gold standard, and if they do that it will create so large a fresh demand for gold that prices will go down, so that the fall of the past will be child's play in comparison with the fall of the future.

19,358. Then you do not share the opinion that a gold standard is impossible for India?—I think it would produce such a catastrophe in gold standard countries to attempt to effectually introduce it that it would probably break off the process and lead to a thorough reconsideration of the whole monetary question.

19,359. Still it is a matter upon which, as agriculturists, it would be expedient that those interested should form an opinion as to whether they might not be better off by sticking to gold and taking their chance of a rise of gold prices than embarking in a course which perhaps might make them rather worse than they will be if they stick to gold?—Yes, and what will come depends, I think, mainly upon what will be done in regard to India.

Opposition to inquiry into currency between 1820 and 1846.

19,360. Can you tell us generally the cause of the opposition to an inquiry into the currency which was so emphatic in Parliament between 1820 and 1846?—No; that is rather difficult to explain, because the agricultural party had immense influence then. The landed interest was very powerful in the House of Commons and in the House of Lords, but in spite of that the money lords appear to me, as I read the history of those times, to have proved themselves much stronger than the landlords.

19,361. But they must have had some reasons, and they must have assigned some reasons, for their continual opposition to an inquiry into the currency?—The reasons that they assign were, mainly, "We have come "into dreadful suffering through having departed "from the metallic standard to the paper and reverting "back to the metallic standard after a long period of "the use of the paper, and now having made that "change and got on to the solid metal again, we had "better endure the evils we have rather than make "any further changes."

19,362. Was not that a very good reason?—There was a good deal of weight and force in it.

19,363. Having made a change which on the whole they saw to be beneficial in spite of certain disadvantages attending it, they made up their minds that they would not disturb people's minds, and would have no further changes in the currency?—Yes; there was no doubt a great deal of force in that.

19,364. Then in what you told us you did not mean to impugn the wisdom of the course which the great majority of people took at that time?—I think in 1819—in the light that we have now, they would have been wiser if they had then decided that a certain quantity of inconvertible paper money should have been kept afloat. They should have returned to cash payments, but they should have kept a considerable quantity of the inconvertible paper money afloat along with it.

19,365. I do not quite follow that?—We now issue a certain quantity of paper money, which is full legal tender—it is about 15 or 16 millions, is it not, that the Bank of England is entitled to issue beyond what they have bullion or coin to represent?

19,366. Was not the position still more favourable in 1819-20, when the Bank of England was not bound to keep any bullion at all except what was necessary to pay the notes on demand?—I think the Legislature at that time should have avoided the sudden contraction of the currency which ensued by getting rid of all this inconvertible paper money, and that it should have kept a certain quantity of it afloat.

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19,367. How can they avoid contracting the currency if they make paper payable on demand; does not the currency regulate itself after that?—The Bank of England are obliged to give you gold for a note if you carry it to the Bank of England, are they not? But their notes are themselves legal tender anywhere else.

19,368. Yes, but the Bank of England is obliged to pay them on demand; therefore the Bank of England does not regulate the issue of bank notes. I wish to get at your idea as to what should have been done?—I think I can see what they ought to have done, though I cannot quite tell you whether it could have been done. What they ought to have done was to have kept the volume of money from diminishing so rapidly. If by any means they could have kept, for instance, 10 or 15 millions of this paper money afloat along with the gold it appears to me they would have been wise to have done it.

19,369. If they went back to a gold standard, how could it have mattered what was the volume of money in circulation? Is not that the opposite idea to what you rather assented to in the earlier part of my examination?—We are on a gold standard now, but though we are on a gold standard we have afloat as legal tender money some 16 or 17 millions of paper, I think, which the Bank of England are empowered to issue, but which they do not hold bullion against.

19,370. Still, they pay on demand?—I suppose they would have to find coin for that if people ran on them enough.

19,371. And if it be on demand, surely it is not necessary to have your paper represented by bullion to the full amount?—No.

19,372. That is not the common practice of mankind now?—I wonder whether they could not at that time have had a larger quantity of the paper money left as legal tender without having to keep the metal against it.

19,373. Practically there was nothing they could have done in all that period by inquiring into the currency because there were no changes that they could make, or intended to make, that were likely to cause a rise of prices or to benefit the agricultural interest?—I am inclined to think that was so when once cash payments had been reverted to. There was some proposal made then to change to a silver standard, but with the light that we have since got upon facts we now see that though England adopted a single gold standard in 1816 we really had all the benefits of a double standard, because other nations by their double standard kept silver and gold through the world at par.

19,374. Assuming that the double standard was a good thing, and had the effects you suppose, we had all the benefits of it?—Yes.

Proposal to introduce bi-metallism in 1830.

19,375. But there were actually proposals to introduce bi-metallism as a remedy for agricultural distress?—Yes. Mr. Western or Mr. Cayley introduced a measure for the silver standard, I know, and they had an interesting debate about it.

19,376. Mr. Attwood proposed bi-metallism in 1830 in the House of Commons?—Yes.

19,377. And there was a debate at that time?—Yes, there was.

19,378. What was the ground he alleged; what was his object?—There was a little difference then between silver and gold. I think he reckoned there had been three or four per cent. difference.

19,379. Mr. Attwood, I believe, made this remark: "Now suppose the legitimate standard re-established, "that double standard, which the hon. member finds it "so difficult to understand, let him be satisfied that his "debtor will find no such difficulty; he will see at "once through the mystery. The debtor will no longer "pay gold money as now compelled; he will pay in "silver money, of the ancient legal coin of 5*s.* 2*d.* the "ounce, which when the hon. member carries to the "bullion market he will be able to dispose of at no "more than 4*s.* 11*d.* the ounce. He will lose five per "cent., which his debtor will gain, or, in other "words, will have to give up an advantage of five per "cent. which the present law has unjustly, and in "violation of the faith of contracts, given to all "creditors over all debtors." That was the exposition of bi-metalism at the time, that they wanted to pay five per cent. less than they would have to pay under the gold standard?—Yes.

19,380. That is not the idea of bi-metallists now, is it?—The idea of bi-metallists now is that by all this recent legislation against silver the contracts which we entered into rendering ourselves liable to pay a fixed quantity of gold have been artificially rendered a great deal more onerous. They have not altered in the quantity of gold we have to pay, but artificially so great an increase in the demand for gold has been created that the real burden of our debts has been cruelly raised upon us.

Effect of legislation against silver on debts.

19,381. Then do you propose now to pay five per cent. or any other per-centage less than what you would pay if you were to continue paying in gold, is that the idea?—I think that the value of gold would be lowered by bi-metallism.

19,382. So that, although there was still nominally gold, people would get less?—Yes, less value undoubtedly.

19,383. But you have not that idea that you are going to pay so much silver, at less than the market price, and then be satisfied that you have got rid of your debts on easier terms?—I think the gold sovereign of 1895, if we had bi-metallism carried out then, would probably return to the value of the gold sovereign of 1875, say.

19,384. But still that is a matter of speculation?—Yes.

19,385. And immediately if you propose to have bi-metallism at anything different from the present ratio, say instead of 33 to 1, or something like that, to make it 25 to 1, or 20 to 1, or perhaps 15½ to 1, that would be giving an enormous advantage to the debtor compared with anything that Mr. Attwood was offering in 1830?—Yes, it would.

19,386. When it was rather contemptuously rejected?—Yes. But I look upon it as a restitution. The creditor has cruelly robbed me, and I should be getting back again what he had unjustly taken from me.

19,387. Then you sympathise with Mr. Attwood?—Yes, I do.

19,388. Would you adopt his account of the change which is proposed in some quarters?—Yes. We have empowered Shylock by our change of the law to take our life blood as well as his pound of flesh.

19,389. But is it not the case that the great majority of obligations existing at the present time are obligations which have been quite recently created?—No, I do not think that is so; no, the bulk of the mortgages and the national debt—by far the larger part of the obligations of this country—were contracted before 1873.

19,390. Surely there are debts being created every day?—Yes, that is also true.

Effect of bi-metallism on creditors.

19,391. As far as the ordinary commercial business of the country is concerned the obligations have been created quite recently. If you change the money the man who is to receive say 100*l.* to-day, by your proposal, if the bi-metallic law were quickly introduced, would receive only 75*l.* or 60*l.* in a few weeks hence?—He would be practically a poorer man—the creditor would suffer to some extent.

19,392. But would he not suffer enormously?—Well he would.

19,393. Is it not a great change that you make?—He would suffer a great deal I think. But the great prosperity of the producing classes, and the abundance of employment, and the general stimulus that would be given to industry, and the greater security of the investments that he had out, would, I think, to some extent meet that.

19,394. What ratio do you think ought to be fixed now if a change of that kind was introduced?—My own individual opinion would be to go back to very near the old ratio.

19,395. That is to say, you would enable a man who owes 100*l.* now to pay it with 50*l.*, or something like that?—Gold would be lowered no doubt in value.

19,396. Then it would be an enormous change in the immediate circumstances of the times?—Yes, it would.

19,397. Would it not cause a great revolution and a great panic in monetary circles?—Of course human beings are very curious creatures, and you can never tell what panic there would be, but as I say, you cannot make a change like that without leading up opinion to it, nor until opinion is ready for it which would conduce to prevent panic.

19,398. Take the case that the banking community is indebted to depositors to the extent of 600 or 700 millions sterling at this moment. Would not all these depositors go and get their money in gold at once, if there was a chance that by waiting two or three weeks or two or three months they would only get 50*l.* where they are now entitled to 100*l.*?—I do not think they would because they would get nothing by it. In either case they would get the same number of sovereigns, but under bimetallism they would be of less value.

19,399. They would get 100*l.* instead of 50*l.*?—They would have to invest their money again if they drew it out, and when they went to invest their money under bi-metallism their sovereigns would be of no more value than they would have been if they had left them in the bank.

19,400. They possibly might have a different opinion?—They might; you cannot account for that.

19,401. Then if they should have a different opinion you would have a tremendous panic?—Yes, but look at what we are facing now. As you made out in your evidence when we examined you, the loss to the agricultural classes in Great Britain alone is something equal to the whole amount of the National Debt in the last 20 years. The value of our landed property is contracted by 600 or 700 millions. In addition to that the property of mill owners and of iron masters and of all the great industries of England has contracted too and is still contracting. I expect we have suffered a loss of thousands of millions in the contraction of prices in the last 20 years.

19,402. Still if you are going suddenly to throw that loss upon another class would they not endeavour to prevent it, if possible, and so bring about that panic which seems to be quite certain to come if you propose to make such a change?—You cannot account for wild panics seizing people if they do not go by reason.

19,403. Is there any prospect of any class submitting to so great a change without trying to prevent it in the most energetic way that they can?—I do not think that calling in their money would prevent it in the least degree.

19,404. But you might have a panic?—If you called in your sovereigns and took them home with you——

19,405. You might have a panic in that case?—They would yield you no interest while you had them at home.

19,406. You might have a panic all the same?—Yes, you might.

19,407. And that would be a tremendous calamity?—I think we are very likely to have a panic now if values go on wasting. You do not know what is safe.

19,408. You are admitting the possibility of a panic if a proposal to pay people in silver at the ratio of 15½ to 1 should be made within the next few years?—I do not think there is a probability of it; of course there is a possibility. You must remember that there is an enormous mass of silver coin circulating to-day in different countries at 15½ to 1. Our own circulates at less than that. There is an immense amount of silver coin in America, in Prussia, and in France also circulating at that ratio.

19,409. Still, you cannot pay your debts to an unlimited extent in a country like England with silver?—No, but in France you can.

19,410. In France you cannot pay with silver to an unlimited extent?—I think you can.

19,411. That would make an enormous difference?—Yes.

Influence of supply of money on industrial property between 1850 and 1879.

19,412. Coming to the fourth era, I assume that you do not put it forward that the prosperity from 1850 to 1879 was entirely due to more abundant money?—I think that was far and away the most important factor. There were several wars in that period, which in the present condition of things as between England and other countries did undoubtedly tend also to raise the prices of agricultural produce in England.

19,413. Would you say it was the most important factor?—Yes. I think it was decidedly the most important factor, and still more as regards the general industries of the country than as regards the agricultural industry of the country.

19,414. Simply the abundance of money?—Yes, there was a constant flood of new money pouring in through

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the mints which was set to work in all kinds of industrial processes.

19,415. Would that influx of new money have had the same effect or much the same effect if you had had no railway extension, no extension of the telegraphic system, and no extension of steam shipping throughout the world, and none of the manufacturing inventions which took place?—That new money really carried out all those great improvements that you spoke of. It was the flood on which they floated, and the profit on all kinds of industrial occupations in those days stimulated men's brains into unusual activity. It paid you far better to be a producer than it did to be a drone. A like stimulus was given the human intellect during the rising prices of Queen Elizabeth's reign.

19,416. Was that quite so as a matter of fact, that this formal change in the notation of the values was so material in the actual prosperity of the times; is that really what we are to understand?—Yes. I think the great inducement to men to enter into all kinds of industrial pursuits is profit, and the thing that makes profit is an increase in price.

19,417. Would you say that the real prosperity of the country was greater during 1850–79 than it has been since?—No, I think the consequences in these cases remain some time after that which has produced them, and that we did not reap the full benefit of what was going on in those years of extraordinary industrial activity till after we had got through them. Their good effects went on by a kind of momentum some time after the cause which had induced that extraordinary activity had ceased to operate.

19,418. In what way did the good effects go on?—You had had an enormous mass of production and invention, and an extraordinary demand for labour. That put labour into a better position, and enabled labour to claim a larger share of reward out of what was going. Good effects of that kind were felt I think.

Accumulation of capital in 1850-79.

19,419. Was there a much greater investment of capital between 1850 and 1879, year by year, than there has been since?—The per-centage of production was very markedly greater during those years than it was after those years.

19,420. Then unless there was a greater saving in those years there must also have been a greater consumption than there has been since?—We produced, I suppose, in those years more than we wanted.

19,421. I understood you to say that we were preparing in those years for the prosperity which has been enjoyed since?—Yes.

19,422. And which you admitted?—Yes.

19,423. Then I put the question whether there was a larger saving of capital in those years to prepare for the prosperity which has been enjoyed since?—I did not quite catch that point. I think undoubtedly that we were saving money then, we were accumulating all kinds of good things for man's use at a much more rapid rate than we had been.

19,424. Have you any evidence of that?—I have seen the figures somewhere of the rate of production. I think it is in your "Wages and Prices Compared," and that you show that the rate of production as compared with the population was higher while prices kept up than it has been of late years.

19,425. As far as my own figures go I think what they show is that there was a greater nominal accumulation say between 1865 and 1875 than at any other time, a very great increase of values, but that is a very different thing from saying that there was a great increase of things themselves which we must deal with in a question of real prosperity?—Every cultivator of the soil in those prosperous times vied with his neighbours to make the earth produce more and more. You remember Mechi, and all the talks he used to have, and how he used to urge upon people to do away with our useless hedgerows, and to buy all manner of foods and manures on to our farms to farm higher and higher in fact.

19,426. Still this is a question of degree, is it not, and I am speaking not merely with reference to agriculture but with reference to industry generally to which you refer. Is there any evidence to show that the real prosperity of the country before 1873 or before 1879 for any considerable period was much greater than it has been since?—I think the masters, the employers, the captains of labour, were making a far larger return then, than they have done since.

19,427. Still that is not the real prosperity of the whole country, that is a question as between class and class that you are coming to now?—Yes.

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19,428. You admit, I suppose, that there never has been a time to be compared with recent years for the prosperity of the labourer?—I think that is so except in regard to the matter of employment. I think that his employment is not so constant and certain now.

Distribution of profits between employers and employed.

19,429. Have you any evidence of that?—I have gathered that from the reports I have seen of labour organisations.

19,430. Are not the bulk of the people employed in industries which are fairly steady such as domestic service and railways?—Yes, those are things which are probably going on as steadily as ever. I happen to know some large employers in several different branches of industry beside agriculture, and they all tell me the same tale that if they had gone out of business 10 or 15 years ago they would have been richer men than they are to-day, and though they keep their concerns going they are not making anything like adequate profits out of them.

19,431. Is it not a question of distribution, and that what one class of the community has not enjoyed another class has?—Yes. I think as you descend from a time of great industrial activity and large business profits to a time of falling prices and falling profits, there is for a series of years a considerable movement of benefit from employers into the hands of those who were working for them.

Cause of abundance gold and silver between 1850-1879.

19,432. Then, with regard to the abundance of gold itself, that is practically our money, for this period from 1850 to 1873–79. Was it not due in part to such a cause as the inconvertible paper money of the United States?—No doubt that helped to swell the whole legal tender volume of the world.

19,433. It was not merely that bi-metallism practically existed and that all countries had bi-metallism or the benefit of bi-metallism?—I think it was an added fact that there was an inconvertible paper money in considerable quantities in several countries.

19,434. If I recollect rightly in that quotation which you gave us from the speech of Lord Beaconsfield in 1873 he referred to the existence of inconvertible paper money in France?—Yes, I think he did.

19,435. That also would be a cause in the latter part of the period—towards 1873—of a swelling of the abundance of money?—Yes. I expect that that is really one reason why war raises prices in these days, because generally when a nation gets involved in a serious war it makes large issues of paper money and the coin, I suppose gets out of the country to some extent, and the whole volume of legal tender money is swelled a good deal.

19,436. In fact the metal is economised and becomes of less value in exchange in consequence?—Yes, and there is more legal tender in use.

Cause of contraction of gold since 1873.

19,437. Then coming to the fifth era, is it your opinion that the contraction of gold since 1873 is not only due to monetary legislation, but to monetary legislation against silver?—The annual supply from the mines we know for some 20 years became considerably less than it had been, but I imagine that was a much less powerful factor as dealing with the value of gold than the enormous new claims made upon gold by the change of standard made by nation after nation from about that date.

19,438. With regard to these claims upon gold you say that they arose through the demonetising of silver?—Through legislation against silver, yes.

Demonetisation of silver by Germany.

19,439. That would be so, I should imagine nobody would dispute, with reference to Germany?—Yes.

19,440. Which actually called in silver and demonetised it and sold a portion of the product upon the markets of the world?—Yes.

19,441. So that Germany from being a consumer of silver for the moment became a seller?—Yes.

19,442. That was a considerable change?—Yes, it was.

Resumption of cash payments in United States.

19,443. But with regard to any other great country was there any change of a similar kind quite to the same degree?—It was supposed that the United States absorbed from 80 to 100 millions of gold I think when they resumed cash payments.

19,444. But still that was not a change from silver to gold, it was a change from paper to gold?—Yes.

19,445. And in Russia a considerable demand for gold arose, in late years especially, but not from any currency change?—No, I suppose that was for hoarding for supposed contingent war purpose, I do not know.

Demand for gold in Russia.

19,446. That is supposed to be partially the explanation; nominally the gold is held against the issues of paper money I believe. Still that was a matter about which they exercised choice; they might have chosen to take silver, and they chose to take gold?—They did not really alter their legislation about any money ratio I think, did they? they did not change their standard.

19,447. Practically, I believe Russia has had inconvertible paper for an indefinite time—they have long since departed from any metallic standard in the matter?—On the face of their notes I think their promise is to pay either silver or gold, but I suppose in practice you could not get that carried out.

19,448. There has been no effective promise to pay within memory so far as I know. The demand for Russia therefore was not the consequence of any monetary legislation directed against silver?—No, I should think not.

Effect of demand for gold in United States.

19,449. Then with regard to the United States, can you say that the demand for gold for the United States was directly the result of legislation directed against silver?—I think that is the correct way to describe it.

19,450. You mean to say if the United States had not passed that law of 1873 to which you made reference, that in resuming specie payments they might have resumed specie payments in silver?—Yes.

19,451. But, as a matter of fact, the change in the United States was not from silver to gold, but from paper to gold?—Yes; the use of the metals was in suspension as it had previously been in England during the time of inconvertible paper money, but if they had not altered their law when they resumed cash payments it would have been open to anybody to bring any quantity of either metal equally to the mint to pass into legal tender money, and had the mint remained open it would have been impossible for silver and gold to have diverged wider than 16 to 1 which was the ratio at their mint.

19,452. Still a change from paper to gold is of a different nature from a change from silver to gold?—Yes.

19,453. You cannot say that any silver has been displaced by the change?—No. I think the evidence before the Gold and Silver Commission went to the effect that there have been as large demands for silver after all this legislation as there had been before.

19,454. I gave evidence to that effect myself, just as I have given evidence before this Commission, and I believe there is no doubt about the fact that the common impression that silver was actually displaced by the legislation of 20 years ago is not true; that is not exactly what happened?—No; an immense new demand was opened for gold, and there was legislation which you might call hostile to silver, but silver found enough other outlets, so that the demand for it and the use of it continued to be quite as great as it had been before.

19,455. And except in Germany there was no actual displacement of silver that had been in use just before?—No, I suppose that is so. It is a fact well worth keeping steadily in mind.

19,456. Then with regard to the United States, you speak of the legislation of 1873 as hostile to silver, but was it not the case that that legislation was merely in continuation of the practical system of money which had been established in the United States from about 1836?—I think that the monetary arrangements of France had continued substantially unchanged from 1803 when they adopted the 15½ to 1.

19,457. But I am speaking of the United States?—I beg your pardon, I was thinking of France: if I understand it aright, France has not altered her legislation.

Use of gold standard in United States since 1836.

19,458. And the United States has not substantially altered its legislation pointing to a gold standard since 1836?—Yes. I think most decidedly. From the founding of the United States, silver and gold equally were their full tender money. Their first ratio was 15 to 1, but under that ratio all their gold went away, because there were other countries where it was worth more and they found themselves only with silver. So they said: "Now we must alter our ratio," and unfortunately instead of making it 15½ as it was in France, they went from 15 to 1 to 16 to 1, and then just the reverse thing happened; all their silver went away and they were left chiefly with gold.

19,459. Was not that the object of it?—No, I think the object of it was that they should keep them both in the country circulating side by side.

19,460. But still they intended to have gold as their principal money?—I do not think that there was any intention of that, because the dollar has always been the great coin of the United States.

19,461. Did they not in 1850 pass legislation for the purpose of having token money of silver so as to serve side by side with the gold which they had; sufficient silver for all the purposes for which they wanted silver?—In 1850?

19,462. In 1850 or thereabouts?—That fact I was not aware of, if that is so.

19,463. The effect of that was that, although the United States still had a bi-metallic law in their legislation, yet, as a matter of fact, they were considered to be a gold using and a gold standard country, so that when they resumed specie payments after the close of the war, the natural expectation was that they would resume in gold and nobody thought of silver. I am putting it that the legislation of 1873 was really formal and not substantial, but was to carry out a monetary policy which had been decided upon long before?—There is no evidence of that in the debates. I have read a great many of the debates in their Houses of Parliament since this question has been so hotly discussed. They contend that this vital change made in 1873, was made without the knowledge of the people, without the knowledge of the Parliament itself, and without the knowledge of a good many who voted for it.

19,464. But as a matter of fact it was perfectly well understood in Parliament, as Bills pass through Parliament, adequate explanations being given to those who cared anything about it?—I know one Senator or member of the other House said, in a recent debate, that he asked expressly when the new law was passed whether it made any material alteration in the law, and they said, "No, it was simply a codification of "the existing law, it was a consolidation Act or "something of that kind."

19,465. Might not that opinion have been quite honestly held in view of the circumstances which I have brought to your notice now?—I think not. From what you tell me was done in 1850 it appears that they then determined to have a token silver coinage circulating alongside of their full value gold and silver.

19,466. And that is unnecessary in a proper bi-metallic system?—I should have thought it was unnecessary, but still it would save money.

19,467. Still, the United States so far departed from a proper bi-metallic system in order to be sure that while they had gold for the principal money they had a sufficient amount of silver for the token money?—I do not think there is anything at all inconsistent with a proper bi-metallic system, and free coinage of gold and silver, and gold and silver equally legal tender, and to run alongside of that a token coinage like we run our token silver and our token copper. You get a little profit out of it, you see.

19,468. Is not the effect of that to destroy altogether that alternation between gold and silver which is one of the objects of the bi-metallic system, as I understand?—Not while you keep the gold and the silver, which are not token money, equally full legal tender.

19,469. Would that not be the effect all the same. The country which wanted it, when it had a sufficient quantity of token money in daily use, would not want any more?—They would not want it for use, to handle it as subsidiary coin, but the bankers would be able to hold either the one or the other just as suited their convenience or as came to them from the mints or in the course of trade.

19,470. Then with regard to this question of the Act of 1873 being passed through inadvertence, have you read the explanations of Senator Sherman who had charge of the Act of 1873, as well as of more recent Acts on the subject?—Yes. I have.

19,471. He denies altogether that there was any inadvertence?—Yes, he does.

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19,472. And he gives explanations of the number of drafts through which the Act had to pass, and other explanations of that kind, which show that to anybody who took an interest in it it could not have been passed through inadvertence?—It evidently was passed without many of those who now see the importance which was contained in it, having the least idea of what was being done even if they had knowledge of it.

19,473. Still, that is a slightly different thing?—Yes.

19,474. It is quite possible, for instance, that some attention may have been given to the questions of price before the Commission of 1879, and yet Mr. Chaplin admits that he knew nothing about it at the time?—Yes; that is a very common state of affairs, in regard to monetary changes I am afraid.

19,475. So that it is not strictly correct to say that the Act of 1873 was passed through inadvertence?—I must think that the radical change which was made was not explained to the Houses of Parliament there, and that the country generally had no idea that a radical change was being made.

19,476. Have you referred to the letter of Mr. Hendricks in the "Economist" which I mentioned when I was under examination, myself?—No, I have not.

19,477. That showed that the change was fully understood on this side of the Atlantic at least, and fully explained?—I should like very much to look at it.

19,478. That is surely evidence that the thing was not done in a corner at all?—Yes. But Americans still contend that they were quite ignorant of what was being done.

19,479. Then with reference to the state of matters in the United States. Was there not some evidence of gold being in a special position in the fact that all through the Civil War many of the bonds which were issued by the United States Government were expressed to be payable, as far as the interest was concerned, in gold and not in silver?—I expect that would be in reference to the fact that gold is the standard in England, and that they thought they would more readily get the money lent from England if payment was assured in gold.

19,480. Whatever the idea was the bonds were issued with the interest payable in gold?—Expressly in gold?

19,481. The question arose, I believe, with regard to the principal, which was not expressed to be payable in gold, but the Secretary of the Treasury for some years after the war wrote letters expressly engaging the Government to pay the principal as well in gold?—Indeed!

19,482. Was it not also the case that in order to pay the interest on these bonds the United States Government enacted that the Customs duties were to be payable in gold?—Yes, I think I have read that that is so.

19,483. So that before the Civil War and all through the time of inconvertible paper side by side with the paper you had certain transactions of the Government carried on in gold?—Yes, the money which they had to pay to England could only be in the shape of gold, and, therefore, in order to make sure that they had gold enough to discharge such obligations they insisted on receiving gold at the Customs, I suppose.

19,484. So that, as a matter of fact, although the United States was a country of inconvertible paper, yet they had gold placed in a special position?—Yes, and though it was under a bi-metallic law.

Nature of demand for gold in United States

19,485. It was not left on a purely bimetallic basis, as the assumption is of those who refer to the Act of 1873 as being passed by inadvertence. Then, I think, we had some conversation about the nature of the demand for gold in the United States, and you made the remark that to some extent it was due to the contraction of the paper currency, and that the silver to some extent relieved the pressure upon gold which would have arisen from the contraction of the paper currency?—Yes, I am sure I have read so in the last year or two.

19,486. The contraction of the paper currency, I believe, was a contraction of the national bank notes?—I know they have several forms of paper money in the United States of America, but I am not able to follow the different kinds.

19,487. Would it not be more correct to say that the issue of paper against silver in the United States was a means of redressing the mischievous law by which the paper itself in other forms was contracted, and that there was no real relief to gold by the issue of that paper against silver—that it only relieved a special difficulty of their own manufacture, as it were?—Yes, I daresay that that was so.

19,488. The point I wish to make is that the contraction of gold in the United States might have been avoided to some extent by a different management of the paper issues quite apart from those issues of paper against silver?—Yes, I should think that is quite likely.

19,489. If you had not contracted the issue of bank notes to begin with, you would not have needed that issue of paper against silver, of which so much has been made?—They created a leakage by their system of contracting the notes, I suppose.

19,490. I think these are all the questions I have to ask you about the different eras. I would like now to ask one or two more miscellaneous questions. First of all with reference to that Act of 1816 in this country, which you refer to as being nominally an Act for the establishment of a new silver coinage, I think?—Yes.

Suspension of coinage of silver in England.

19,491. Yet under that Act the single gold standard was established in England. I put to you the question whether as a matter of fact the coinage of silver in England had not been suspended from 1798?—I was quite unaware that it had been suspended by law, but you have shown to me a law of that date which did, as a matter of fact, I see, suspend the right of the subject to get the silver coined.

19,492. I referred to an Act of the 21st June 1798, the first section of which re-enacts that law which you spoke of, limiting the legal tender of silver?—By tale to 25*l.*

19,493. Yes, by tale, and so on. The second section absolutely suspends the coinage of silver, being to this effect: "And whereas His Majesty has appointed a "Committee of his Privy Council to take into con- "sideration the state of the coins of this Kingdom, "and the perfect establishment and constitution of "His Majesty's Mint, and inconvenience may arise "from any coinage of silver until such regulations "may be framed as shall appear necessary: And "whereas from the present low price of silver bullion "owing to temporary circumstances, a small quantity "of silver bullion has been brought to the mint to be "coined, and there is reason to suppose that a still "further quantity may be brought, and it is therefore "necessary to suspend the minting of silver for the "present; be it therefore enacted that from and after "the passing of this Act, no silver bullion shall be "coined at the mint, nor shall any silver coin that may "have been coined there be delivered, any law to the "contrary in any wise notwithstanding"?—You will notice by the terms of it that it is distinctly a temporary Act to provide, as it expresses it, for temporary and passing circumstances.

19,494. By an Act of the 12th July 1799, this temporary Act was continued and made perpetual?—Made perpetual, or continued for another definite period?

19,495. It was made perpetual. This is the note that I have in this volume of the statutes at large:—"That "the Act was again revived and made perpetual"?—Dear me! then the position of England in regard to money was this:—our legal tender money was inconvertible paper, and the power to coin silver was taken away; but the right to coin gold, I suppose remained still.

19,496. That remained, I suppose; but still the actual suspension of the coinage of silver did not take place in 1816, as you would have inferred from what you said; it had taken place in 1798, and from that time England must have ceased to be bi-metallic in any proper sense of the word?—The old Act of Charles II. still remained, but these two Acts suspended its operation—in fact they made it a dead letter.

19,497. In fact, the measure was a measure of exactly the kind which happened in France in 1874, when the free coinage of silver was put an end to?—But how came the Act of Charles II. to still live on, which I understand it did, until Mr. Lowe altered it in 1870?

19,498. That is perhaps an affair of the draftsman. I believe this particular Act of 1799 was not repealed until 1871?—The Act of 1816 for the new silver coinage

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gave power to the Government to reduce the silver in the coin; they were to coin more shillings out of a pound of silver. It also gave them power as to silver to keep the Mint in their own hands unless a Royal Proclamation was issued, and if a Royal Proclamation was issued then the clause of the Act of Charles II. immediately revived again, as I understand the law.

19,499. Would you admit, then, that the bi-metallic tie was put an end to in 1798 in England?—It looks to be so under that legislation; but the first of the two Acts was distinctly a temporary Act.

Act of 1816 introducing silver token money.

19,500. Then with regard to the Act of 1816 itself being passed as it were by inadvertence, or silently, I suppose you would not go quite so far as to say that?—Oh, dear, no. I have read Wellesley Pole's speech in introducing it, and the few short speeches that were made besides his. The intention was quite clear and distinct, and the knowledge of what they were doing was quite distinct. They were really carrying out what, in his letter to the King on the coins of the realm, the old Lord Liverpool had expressed as, in his belief, the ideal system for England.

19,501. It was really carrying out a very deliberate policy?—Yes, or a policy recommended by this old man, who had been a very great authority.

19,502. Would you agree with what Mr. Wellesley Pole stated in that debate in a passage which I am going to read to you with reference to the state of opinion at the time about a double standard, to this effect:—"When the Committee took into their consideration this short view of the history of our circulation he believed he should be anticipated in his opinion that it could not be expedient to allow the coins of both the precious metals to be equally legal tender and standard money of the country to an unlimited extent. It had been the opinion of, he believed, all the eminent men who had written upon the subject that there should be but one standard measure of value. Sir William Petty, Mr. Locke and Mr. Harris upon this point had all concurred. Mr. Locke says that money as the measure of commerce ought to be kept as steadily and invariably as may be; but this cannot be if your money be made of two metals, whose proportion, and consequently whose price, constantly varies in respect to one another. Sir William Petts declares there can be but one of the two precious metals of gold and silver fit to be a matter of money. Mr. Harris observes that only one of these metals can be the money or standard measure of commerce in any country. In later times, after a further experience of the evils arising from the collision of two standards from the competition raised between the coins of the two precious metals, these opinions had been strengthened by the writings of Mr. Alcome and Dr. Adam Smith, the late Lord Liverpool, and lastly by the Report of the Bullion Committee. All these authorities had agreed that the standard measure of value—the standard coin of the realm—should be composed only of one of the precious metals. He believed, therefore, that it would be universally admitted that there should be but one standard coin of the realm to be at once the measure and equivalent of property." You admit, I suppose, that that was a correct statement of opinion at the time?—Yes, but when you use that as opposed to the bi-metallism which we ask for to-day you incorrectly represent the state of things in the past. At the time all these great men who have been quoted were writing the two metals were in use side by side, with full legal qualities at a ratio which was varied from time to time by the Government. One of them only was the standard, but the other was rated to it and was full legal tender, and was allowed unlimited right of coinage, so that it was bi-metallism to all intents and purposes, though you kept still silver as your standard, but you interposed no limit or check whatever upon the free coinage and use of gold.

19,503. But still the Act of 1816, which introduced token money of silver ---?—Yes.

19,504. Was intended to carry out the theoretical opinions which had come to prevail, that you could only have one standard money?—Yes, but those opinions, you see, were expressed at a time when the invariable practice was to allow free coinage and full legal tender to both.

19,505. Still the Act of 1816, itself was understood to be a carrying out of the theoretical opinion which had come to be formed, and it was passed unanimously at that time?—Yes, it was passed without opposition except in the House of Lords, where I think you will find some lord, I forget his name, made a written protest, which you will see in Hansard, giving a series of reasons why he thought that this legislation was mistaken, and amongst the reasons was this: that there might in time to come arise a difference in value between gold and silver, and that great inconvenience might then arise from this new departure. The words are almost prophetic.

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Rates between gold and silver.

19,506. And the opinion of that time was that Government would not be successful in making a fixed ratio between gold and silver?—Yes. I think that the science of money, like most other sciences, is a progressive one, and that we have learned in these last 20 years a good deal that was altogether unknown to those who went before us.

19,507. Still I suppose you would admit that people like Locke had studied the subject a good deal, and with reference to the experience of a time in which gold and silver in bi-metallic countries did not preserve the ratios which were established by the Governments?—You see there was not the same rapid interchange between the different nations then that there is now, but when different nations had different ratios they could not all work together. That was the reason that sometimes our silver went away from us and sometimes our gold, because some other powerful nation had a different ratio, and the dealers in gold and silver found it to their profit to steal away one of our kinds of coins and sell it where it passed at a better ratio.

19,508. Still the universal opinion of that time was that you could not preserve a ratio?—Yes, or only by making changes in Mint laws from time to time.

19,509. Was that opinion admitted in the debate in 1893 upon the French Bi-metallic Law itself—have you read that debate?—I have not read that debate.

19,510. You are not aware that it was admitted in that debate that it was hopeless to preserve a ratio?—Dear me! No. Facts have provided the reverse.

19,511. That the authority of Locke and Newton in the matter was admitted to be indisputable, and that that law was not passed with any expectation that the ratio would be permanently preserved?—Really that is a remarkable thing.

19,512. I believe that it is stated by M. Wolowski in his book "L'Or et l'Argent" that in the original draft of the law there was an express provision for the re-coinage of one metal or the other when it should become necessary by a change of the ratio, and the clause provided that the metal to be re-coined in France on such a change occurring should be gold, but that clause was omitted in the subsequent drafts of the Act, although it was in the original draft?—Indeed!

19,513. This shows that the state of mind in those early years was entirely founded upon the belief that a ratio between the two metals might be made by law, but that the market might change it, and then the law would have to follow the market?—I should say that the wider experience of the last 70 or 80 years shows us that a ratio can be preserved by law if it prevails over a considerable group of nations.

19,514. Then who were the great men who made the discovery?—We who have lived since 1873 are the people who have been able to discern that, because we see now utter confusion introduced where there used to be comparative order.

19,515 You cannot give me the names of the discoverers and expounders of this wonderful discovery?—This worthy man who had his death warrant with him—M. Cernuschi—was one of the first to discern what it was that was the matter with us now—why gold and silver vary so much more in these last few years than they had done in the centuries in the past.

19,516. I am asking this question partly because I was informed a long time ago by Sir Louis Malet, Mr. Grenfell, and others, that one of the authorities to whom I should refer was Sismondi, a well-known economist who wrote in the 1820's. I referred to the passage, and when I came to criticise it in one of my papers I did not think very much of it, and Mr. Nicholson turned round upon me and said that Sismondi was no authority. So I am asking the question to get some information?—The extraordinary divergence that has grown up between the two metals since 1873 has opened the eyes of hundreds and thousands of people to ask whether there has not been some new cause, or rather

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whether there had not been something in operation prior to 1873 which was removed then and led to the violent fluctuations.

19,517. I believe that Mr. Foxwell will probably refer me to an older authority still; but what I am puzzled by is that in no authority to whom I have been referred can I find any exposition of the theory, or any refutation or even any knowledge of the great authorities on English money who preceded them?—I cannot help thinking this, in previous times people in every nation considered that the more gold and the more silver they could get the better; they regarded them both as good gifts of Heaven to be received with gratitude, and it never entered into their heads that the time would arise when some civilised nation would desire to proscribe the use of one of those two—they never imagined such a thing was possible.

19,518. The object of the Act of 1816 was not to proscribe the use of one of the metals. Would not Lord Liverpool have said that he was providing for the fullest use of silver that could properly be made of it. Lord Liverpool did not intend that the Mint should be closed to the public against silver, unless it was found that silver at the new ratio was going to drive the gold out of the country. There was no intention to proscribe silver; power to do it was given purely as a matter of safety in case gold showed signs of being driven away?—Their object was to keep both metals in the country.

19,519. Then you cannot give us any idea further than you have told us of the discovery that gold and silver can be kept at a fixed ratio?—I think we have learnt that by departing from the old practice and finding the extraordinary increase in the variations between the two metals under the new practice as compared with the old.

19,520. Was it not the case that Locke and those people, when they were considering the matter, had had before them a time of very considerable change between gold and silver?—Yes.

19,521. When every country had a fixed ratio?—Only the different countries had different ratios, and changed them from time to time.

19,522. Still they had ratios?—Yes.

19,523. And yet it was found that the metals changed between themselves, and that each country had to go on changing in order to keep the gold and silver that each required?—Yes, that was so.

19,524. But have the permanent conditions of the world changed in that respect?—The world is practically all one country now, and was not then.

19,525. If each country wishes to have a certain amount of gold and silver it will probably take the measures to get the gold and silver that it requires?—Yes; and with the fuller knowledge that we have, as the result of experience, especially of the experience of the last 20 years, we can see, I think, that if a considerable group of nations hit upon a suitable ratio and keep to it, there is a fair probability that the two metals will circulate side by side.

19,526. Would each nation get the gold and silver it required?—Yes.

19,527. At the ratio?—Yes.

19,528. Has that point been much considered; is not a difference of ratio between nations absolutely necessary to enable each of them to get the gold and silver it requires?—No, I think not.

19,529. Is it not absolutely necessary that India should have a different market ratio for gold and silver than Mexico has, because Mexico is a producer of silver and a purchaser of gold, and India is a purchaser of both gold and silver?—I suppose while the mints of France and the United States kept open, silver and gold all over the world conformed within a very little to the ratio there in use.

19,530. Is it not the case that the ratio of silver to gold in India was always more favourable to silver than in any other part of the world?—I do not know.

19,531. Except in outlying parts which I do not know about, but it was usually, as a rule, much more favourable to silver than the ratio in France, for instance, otherwise the flow of silver from France to India and from England to India would not have gone on?—If you want to carry one particular metal from countries that have it you must pay the cost of getting it there; you must give an inducement to get it there. I, of course, see that.

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19,532. Is that not the permanent condition of things?—Yes, I think it would be.

19,533. Certain countries produce silver and wish to dispose of it, and other countries wish to obtain silver?—Yes.

19,534. And the countries that wish to obtain it must offer a better price than is obtainable for it in the countries which produce it?—Yes, it is likely to be so.

19,535. Therefore, in order to have a proper distribution of the precious metals it is absolutely necessary that you should have a different ratio in different countries, and an international agreement for a common ratio is an impossibility?—You had a common ratio, as I understand it, in existence from 1803 to 1873.

19,536. You had one ratio in France, but that was not the ratio in India?—India you see was only a silver country.

19,537. But there was a market price?—If you wanted one particular metal there, and had to get it from another country, you would have to pay the cost of carriage to take it there.

19,538. But is it not the case that countries have different wishes and desires in the matter, and if they wish to have a thing they will pay the price for it?—Yes.

19,539. Therefore, if all the Governments agree upon a common ratio, then the ratio that is to effect the distribution of the precious metals themselves will always be different from the Government ratio?—You would always have to pay something as the cost of carrying the metal: if you insisted upon one particular one.

19,540. That is to say, you would have a different price?—Yes, but it would only vary from the mint ratio I think by the cost of carriage to wherever you wanted to take that particular metal.

19,541. How do you know what price India would have to pay for the silver she required?—For legal tender purposes the two metals would have the same value and be the same money.

19,542. Is it not the case that in India itself you have different ratios in different parts of the country between gold and silver?—I do not know, I should not have thought that it was, but it may be so.

10,543. That is quite in accordance with what we know about money in other parts of the world?—In a backward country I daresay.

10,544. Is there not such a thing as a premium upon gold in different parts of the country within our own country or rather a premium upon gold sent to London?—Yes, I suppose there arise circumstances of that kind when you have to pay the cost of the carriage or a trifle besides for the convenience of getting one particular metal, but nobody heard anything about exchange difficulties, and difficulties of ratio, during the 70 years in which the French ratio was in existence.

19,545. Are these not difficulties that were familiar to people who had to deal with the subject in this country 200 years ago; they were face to face with the practical question, were they not?—Yes.

19,546. And that is not the case with any of the authorities of late years who have told us so much about money, so far as I know?—Of course we are face to face with one of the most practical and serious dangers that have ever arisen in the history of money.

19,547. At any rate to take Sismondi for instance as an authority upon the theory of bi-metallism, he discusses none of these things which Locke and the others discussed long ago?—Indeed, I will try and look at his book.

19,548. I wish to know if you can refer me to any authority who does discuss it?—No, I do not think that the question in its present phase had ever engaged the attention of mankind.

19,549. Surely when a new thing of this kind turns up, what you ought to do is to go back to the former experience when people had to deal with the subject practically and see what the difficulties really were. But you cannot throw any further light upon the question?—No, I cannot. The question which faces us is altogether new.

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19,550. It seems to me there are two questions as to the effect of this bi-metallic ratio. one is that an alleged effect of the ratio being established by law is to keep gold and silver steady with reference to each other?—Yes.

19,551. And the other is that the resulting level of prices is steadier when they are united than when they are not?—Yes, that is a just expression of our opinion.

19,552. Upon your last expression I have already put to you several questions, and I do not propose to continue them; but with reference to the first, how long do you say the bi-metallic tie existed after 1803?—For 70 years I have understood—till 1873.

Duration of bi-metallic tie in United States and France.

19,553. But that was not the case I think you have admitted as far as the United States is concerned?—The United States Mint was open to the two metals, though when they were under the inconvertible paper money I suppose probably they had very little to do, and you have shown us that by their law in 1850 they provided for a token money.

19,554. But the issue of the inconvertible paper was a suspension practically of the bi-metallic tie between the two metals themselves as far as the United States was concerned—there was no free mintage in fact, although there was a law for that purpose?—Yes, but I think the existence of that law would have prevented such a divergence of the previous metals or anything like such a divergence as has occurred. This that has now occurred would not have occurred if they had not altered their mint law.

19,555. In 1873?—Yes, or somewhere about that date.

19,556. But between 1860 and 1879, when cash payments were resumed, the United States was practically a country outside the working of the bi-metallic law?—Yes.

19,557. Then in France, when did the same bi-metallic tie come to an end?—As I understand it the French are still bi-metallic; both metals circulate at the old ratio; the coins of both metals are full legal tender, and I do not think they have altered their mint law, but have suspended it.

19,558. France at a certain date became also a country of inconvertible paper?—Yes, for a short period.

19,559. I think you referred to a speech of Lord Beaconsfield in 1873 in which he spoke of France as being at that time a country of inconvertible paper?—Yes, he did.

19,560. The issue of inconvertible paper commenced during the war of 1870?—Yes, I imagine so.

19,561. From 1870 onwards, France, like the United States, was a country outside the working of the bi-metallic law?—Yes, it was in suspension in that country.

19,562. For the moment, then, in the United States from 1860 to 1879, the working of the monetary arrangements was outside the bi-metallic law, and in France from 1870 onwards the working of the monetary arrangements was also outside the bi-metallic law. What I wish to know is what effect the bi-metallic law had in maintaining the ratio in those years when it was in suspense everywhere?—All the coins that had been struck under that law were still in circulation and were still legal tender at their old rate.

19,563. Is that true of the United States?—It was until 1873.

19,564. Were the coins in circulation?—Yes, except where they had these token coins which might just as well have been bits of paper, or bits of copper, or bits of iron.

19,565. Was there anything in circulation in the United States from 1860 down to about 1879 except paper?—I do not know. I daresay most of their coin went away during that period of paper money.

19,566. With the exception, I believe, of the States in the Far West—California and one or two others—where they insisted upon retaining gold, there was practically nothing in the United States except paper?—Really; it had all come away to Europe and other countries.

16,567. It had all gone away or had been hoarded—of course it is quite impossible to say which?—Of course that was one of the influences then which helped to raise prices here.

19,568. I think you told us generally that the effect of the issue of inconvertible paper is to supersede and displace the metals which it is supposed to represent? Yes, so I read history.

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19,569. As a matter of fact, comparatively little gold or silver was circulating in France at the time they had inconvertible paper—it would be so?—I fancy they had enormous stocks still in France; what it was doing I do not know.

19,570. Still, is it not the case that as a matter of fact immediately after 1870 you had issues of small notes, much smaller than had existed for some time before—the scarcity of actual coin was so great?—I suppose people in a time of war who have got coin hide it.

19,571. Still, is it not the case that the working of the bi-metallic law which consists in free access of the different metals to the mints was practically in suspense?—Yes, it was in suspense, I think.

19,572. Then the steadiness of the ratio whilst the bi-metallic law was in suspense was not owing to the bi-metallic law?—Yes. Of course all the existing coins were still legal tender at the ratio at which they had been struck, and people would not think anything about it, but what they would expect would be that as soon as cash payments were returned to the mints would again work just as they had worked before.

19,573. Did that operate in any man's mind, do you think, in the United States?—I do not suppose people thought about it.

19,574. Was it much thought of amongst the people who were commonly using paper in France?—No, I do not suppose it was.

19,575. Then, as a matter of fact, if the ratio was steady in those years that I have mentioned it was not owing to the bi-metallic law?—It was a product of the bi-metallic law, I think.

19,576. You can give us no further information about the remedy which you propose except that you would like to see a ratio as near 15½ to 1 as you can get?—I am not at all wedded to a ratio, but I have personally formed a general opinion that looking at the enormous mass of coin that already circulates at that ratio, and at the fact that in all probability that would have been the prevailing ratio still but for these legislative changes, it would be wiser to revert to that than to start upon a new one.

Ratio between gold and silver.

19,577. And you would face all the disturbance that some people would expect in order to obtain that remedy?—My personal judgment is that way.

19,578. (*Mr. Chaplin.*) When you mentioned that you yourself were individually inclined towards the adoption of the old ratio, that does not mean, I suppose, that you state that as representing the views of what are called the bi-metallic party?—Oh, dear no. I have heard continually among the leading men in that party that in their opinion any ratio is better than none, and that they think the ratio fixed upon must pre-eminently be a matter for mutual consultation among the nations.

19,579. (*Mr. Giffen.*) Not "any" ratio in the absolute sense?—The ratio of to-day they would greatly prefer to no ratio.

19,580. But you do not mean literally "any" ratio?—No.

19,581. (*Mr. Chaplin.*) By that Mr. Giffen means, I assume, that you do not mean a ratio lower than the present one?—No; not lower than what was prevailing when the change was made.

19,582. The great object, I understand, of the advocates of bi-metallism is this, that there should be a stability in the ratio between gold and silver?—That is the object.

19,583. And that they would take any ratio between the present ratio and the old ratio that would bring about that effect rather than have none?—Most decidedly; that is the universal opinion I have heard among bi-metallists.

19,584. You were asked by Mr. Giffen at the early part of your examination whether what is known as the quantity theory had ever been exactly formulated; it is the case, I think, that it has been sufficiently formulated to enable economists to pronounce a very distinct opinion upon it?—Yes, they are all of one opinion, so far as I know.

"The quantity theory."

19,585. Can you name an economist of repute who disputes in the present day what is known as the

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quantity theory?—No, I cannot. I do not think there is such an one.

Effect of Sherman Act in the United States.

19,586. You were asked by Mr. Giffen whether it was not the fact that the Sherman Act in America, accompanied by proposals for the free coinage of silver in the United States, did not cause a great monetary disturbance; it is the case, I think, that the Sherman Act could in no sense be described accurately as bi-metallism?—Oh! dear, no.

19,587. In fact it was opposed to all bi-metallic theory?—Yes, the leading bi-metallists of Europe were very sorry to see it adopted.

19,588. Is it not the fact, in your opinion, that the great monetary disturbances in America were caused rather by the effects of the Sherman Act than by the proposals for the free coinage of silver?—My own opinion is that those disturbances were caused more by the writings of the gold party in the press here and in America than by the actual effects of the Sherman Act itself.

19,589. But as a matter of fact the two things, viz., the Sherman Act and the proposals for free coinage, are entirely different and distinct?—Entirely different.

19,590. I think it is the case that the adoption of the Sherman Act was disapproved of at the time, generally speaking, by the advocates of bi-metallism, and that they foretold its failure?—Yes, and were afraid that its failure would prejudice the cause which it was only a caricature of.

Effect of adoption of bi-metallism.

19,591. You were reminded of a statement made in 1880 by prominent statesmen in England to this effect, that you must not speak of bi-metallism because it would produce a panic; and it was also suggested to you by Mr. Giffen that the adoption or the threatened adoption of bi-metallism in these days would probably be followed by a panic now; is it not the fact that the leading nations in Europe in conjunction with the United States, or without the United States, could adopt bi-metallism at any moment now?—Undoubtedly.

19,592. And if they did so the effect of its adoption would be precisely the same as if England had been a party to it?—Yes, judging from the experience of the past, that is so.

19,593. Then if all these dreadful consequences which have been foreshadowed by Mr. Giffen as the consequences of bi-metallism are to be held as true, a panic may be created at any moment now by the adoption of bi-metallism by foreign nations over which we should have no control whatever?—Yes, certainly; we do not preserve ourselves from that danger by holding aloof.

19,594. It was also suggested to you that under the circumstances referred to 600 millions of money which are out at call would at once be called in, because those who called it in would wish to have their gold back in their possession before it depreciated. What use would that be to them; what could they do with it even if it was possible to suppose that they could get it?—I am quite unable to see that they would get any advantage.

19,595. I suppose they might hoard it?—They could hoard it.

19,596. In that case they would lose their interest upon it?—Certainly.

19,597. I suppose they might invest it in commodities or in silver before prices began to rise?—Yes.

19,598. In that case would not their action immediately bring about the very rise in prices, the effect of which would have been their object to escape by calling in their money?—It would certainly look to do so, if all that money were called in and immediately invested in the purchase of commodities.

19,599. I speak from recollection, and I do not know whether you can assist me under such circumstances, but the idea of this panic was first suggested many years ago by Mr. Herries, I think?—So I have heard. Mr. Gladstone alluded to this in his speech in February last year, I think it was.

19,600. It was afterwards suggested by Mr. Giffen in his book upon bi-metallism?—Yes.

19,601. Then while admitting that every precaution should always be adopted against anything which would be likely to result in the creation of a panic, in dealing with questions of finance, do you regard the suggestion of Mr. Giffen this afternoon that the adoption of bi-metallism would result in the calling in of 600 millions sterling as in any way a serious contingency?—No, I confess I do not. I think that we shall have to face far graver and more substantial perils by avoiding the earliest consideration of the subject than that would form.

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Effect of bi-metallism on debtors.

19,602. You were asked as to what the view of the bi-metallists was in the adoption of bi metallism with regard to debtors; what would be its effect upon debtors; is it not the object of bi-metallists in the first instance to arrest the present fall in prices?—That is so, and to secure the most stable standard of value which is within our reach.

19,603. Perfect stability in the standard, I believe, is universally admitted to be impossible?—Absolute stability, yes—there can only be comparative stability.

19,604. I take it to be your view that if the standard is to vary at all it is better that it should vary in favour of the debtor rather than in favour of the creditor?—Yes, I do not think any fact is more clearly written on the page of history than that times of appreciating money are times of depression and industrial trouble, and times of depreciating money are times of great industrial activity. I think all the economists are unaminous and emphatic in agreement upon that point.

19,605. Would you advance as one reason for your conviction upon this point that the debtors are infinitely more numerous in the world than the creditors?—Yes, and are the producing classes.

19,606. And are also the producing classes?—Yes.

19,607. And it is the fact, I think, that bi-metallists complain, and, in your opinion, complain with justice, that they are suffering at this moment from the very evils which Mr. Giffen anticipates will fall upon the creditors if the law was changed, and which evils have been brought about artificially by changes in monetary legislation?—I feel very strongly that the debtors of the present day, whose debts date back 20 years ago, have been the victims of one of the most cruel moral wrongs ever inflicted upon innocent people. I would not accuse those who have brought it about of having done it intentionally, but in its effects it has been one of the cruelest crimes, if you might call it a crime, ever committed in the history of mankind, I think.

19,608. You were asked just now, putting aside altogether the question of what had occurred in the past, whether fresh debts were not being created every day, and whether the creditors in these cases would not equally be affected; is not the answer to that this—that the appreciation of the standard is still going on every day?—Yes, the creditor is every day seeing an advantage given to himself in the bargain he has entered into.

19,609. So that in every fresh debt which is incurred from day to day the debtor continues to be placed in a position of great disadvantage by the fact of a continued appreciation of the standard?—Yes, and the creditor would receive something which he never contracted for.

19,610. I suppose you agree in the view which is constantly stated, that it is the right of every State to improve and to make the most perfect standard that it can for the use of the community?—I think it is one of the highest functions of the State; one of the most important functions of the State.

19,611. But it is unfortunately the fact that no change can be made in the standard of value without affecting some interests of some persons?—Injuriously, I am afraid that is so; that certainly is so.

19,612. If there is to be a change at all then your view, I take it, would be this, that it is better that the standard should depreciate rather than the opposite?—Most decidedly.

19,613. In other words, that if changes are inevitable those changes it is desirable should be rather in the interest of the debtor than in the interest of the creditor?—I quite think so, and I think also that whether the standard shall appreciate or depreciate should, as far as possible, be put out of the reach of human manipulation. I would much rather have a standard founded upon the gold and silver that the Almighty has provided for us in the earth, and which time keeps bringing to light, than have the standard manipulated one way or the other by human legislation. I would rather have it based on a natural foundation like the foundation of the two precious metals than upon an artificial legislative foundation.

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19,614. Your view is this, that all the gold and all the silver that the world can produce should be made available for this purpose, and in consequence that we should have an automatic issue to be added to the volume of the money in the world, rather than an issue which depends upon the fiat of governments?—Yes, I think it is infinitely the most to be desired that it should be an automatic supply resting upon natural foundations, and then as the variations occur people would feel that they were not done by man's law, and must be submitted to as rather acts of Providence than as acts of men.

Effect of appreciation of gold on prices.

19,615. (*Mr. Dalton.*) I think you say that the times of appreciation of gold are always times of depression of productive industry?—Yes, that is so, I think.

19,616. According to this chart, were not the years from 1873 to 1879 a period of very great appreciation of gold?—Yes.

19,617. There was a great fall in prices then?—Yes.

19,618. The greatest fall I think shown on the chart, or very nearly so?—Yes, gold was appreciating rapidly then.

19,619. Was not that a time of very great prosperity for agriculture; were not the agricultural interests better off at 1879 than at any other time?—Yes, they were doing very well from 1873 to 1879.

19,620. How do you account for that?—A change in the supply or demand of the precious metals does not immediately take effect, and it had not taken operative effect I think at that time. For instance, the great gold discoveries began in 1847 in California, and in 1849 in Australia, but agriculture did not reap any benefit appreciably from that until about 1852 or 1853.

19,621. But there was a great fall in prices all that time; were they exceptionally good years for agriculture, good seasons, or what was the cause of it?—There was one very bad season, in 1875 I think it was; generally that was a bad season in the country; Mr. Read told us that they had not had a good all round season in Norfolk since 1874, did he not, but I did not agree with Mr. Read judging from my experience in Suffolk.

Mr. R. L. Everett, M.P.
4 May 1894.

19,622. Rents were rising all through those six years?—Yes.

19,623. And they reached their climax in 1879?—Yes; as I have said again and again the after-effects follow some time after the actual cause which set them in motion has ceased.

19,624. If we had bi-metallism should we get an immediate benefit or should we have to wait for seven or eight years?—I think there would be an immediate lift in things. When the going to free silver was confidently expected in the United States it was wonderful how immediately industry seemed to lift up its head though it did not last long.

Effect of agricultural depression on labourers and pauperism.

19,625. Has the effect of agricultural depression in your district been to throw any labourers out of employment?—Yes, a great many in the heavy land districts especially.

19,626. Has it at all increased pauperism?—I do not think it has. The extraordinary cheapness of food is such that only a day or two's work in a week will enable a man to keep off the rates.

19,627. If prices were to rise do you think it would be a good thing or a bad thing for the labourer immediately?—I think probably he would be rather injured for a year or two. I think that is quite likely; but there would be a much greater demand for labour and he would soon claim his fair share of the new conditions.

Adjourned till Thursday next at 12 o'clock.

Thirty-sixth Day.

Thursday, 10th May 1894.

PRESENT:

VISCOUNT COBHAM IN THE CHAIR.

The Right Hon. BARON RENDEL.
Sir ROBERT NIGEL FITZHARDINGE KINGSCOTE, K.C.B.
ROBERT GIFFEN, Esq., C.B.
Captain OWEN THOMAS.
FRANCIS ALLSTON CHANNING, Esq., M.P.
JOHN CLAY, Esq.
CORNELIUS NEALE DALTON, Esq., C.B.
ROBERT LACEY EVERETT, Esq., M.P.
JOHN GILMOUR, Esq.
GEORGE LAMBERT, Esq., M.P.
WILLIAM CUTLACK LITTLE, Esq.
CHARLES WHITEHEAD, Esq., F.L.S.

HERBERT LYON, Esq., *Secretary.*
R. F. CRAWFORD, Esq., *Assistant Secretary.*

Mr. CHARLES WILLIAM SMITH re-called and further examined.

(For previous evidence, *see* Question 15,572, p. 50.)

Mr. C. W. Smith.
10 May 1894.

19,628. (*Viscount Cobham.*) I believe you wish to call attention to certain points in the evidence you gave on April the 6th?—Yes, I have some small explanations to make on the cross-examination, and also I have noted a few more points, which I think are very strong evidence, which have arisen since I was in this room last, and with your permission I shall be very pleased to explain them, and then on any of the further points that I have brought forward, if you wish, you can cross-examine me as well as upon those that I have already given.

19,629. We will take the evidence already given first. Are there any points in the oral evidence that you gave the other day that you wish to correct now?—I have some fresh evidence beyond the evidence produced which has come to my knowledge since, and which I think are most interesting points for the Commission to know. There are various points on my cross-examination which I wish to explain, for the questions and answers as printed in the report are not quite clear to me. I think that a little further explanation would bring out all the points a little bit clearer.

Mr. C. W. Smith.
10 May 1894.

Sugar gambling.

19,630. Take those points in your own order please, but as shortly as you can give them?—At Question 15,584 Mr. Giffen asked, "Was there not a large amount "of gambling many years ago in Greenock in sugar"; I thought the question referred to prior to 1880 and not to the systems. I was not aware at that time that I was going to be cross-examined on anything but the systems, and therefore my answer to him was, "I do not know." If he will refer to the printed memorandum of evidence on the effect of the systems in the beet-root sugar market since 1880 he will find there that the systems since introduced have had exactly the same effect on the sugar market for the

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first few years that the systems have had upon every article of produce. I refer there to the great panic years 1884, 1885, and 1886, when the systems were introduced into this country largely in Glasgow (or as Mr. Giffen said Greenock, which is virtually the same), Liverpool and London. We had a great panic in sugar. If I remember right, beet-root sugar went down from something like 18*s.* to 10*s.* in a state of panic due entirely to collapse and failure in trade, and to panics on the Continent and in this country in the beet-root sugar future contracts. Considering that up to 1883 my firm was, I may say, I suppose, the largest sugar brokers in England, dealing largely both in cane sugar and beet-root sugar, I can speak with experience. In those two particular years when the panic took place—that is in 1884–85–86—I was credited with taking a leading part. I have acknowledged plainly that I have been, I may say, almost a pioneer of these systems, that is I saw exactly how everything would have to fall under them, and I have the credit I believe—I think it is pretty well acknowledged in the commercial world—of being the leader in this country of smashing that beet-root sugar market by bearing it. I was operating through three or four brokers very successfully for friends and others. Therefore, I can speak with some experience, I should like simply to explain from that point of view that I thought Mr. Giffen's question referred prior to that time and did not refer to the systems in 1880. The next Question

Cotton panic, 1878.

I wish to refer to is 15,592 which refers to the 1878 cotton panic. I forget which member of the Commission mentioned the 1878 cotton panic, but it is a most important thing to refer you to, because it was the first panic in this country which arose absolutely, solely, and only, directly the introduction of these systems took place in cotton. I refer to it very palpably in pages 52 to 56 of "Commercial Gambling," and if you will allow me to read it I should like to—it will not take one minute. I said, "In the year 1878, a "German Jew from America named Morris Ranger "tried to corner the Liverpool cotton market. I may "remark this was the first corner of any magnitude "ever attempted in this country. This gambler held "some 150,000 bales, futures sold to him as October "delivery, but based on no settlement system, as ex-"plained before"—or at any rate my evidence has fully explained that—"under the financial pressure "of the future contracts, cotton fell to the then "unheard of price of 4¾*d.*" In August 1878, cotton, if I remember right, was about 6¾*d.* We had the City of Glasgow Bank failure in 1878 which affected principally Glasgow, Liverpool, and Manchester, and we had a large number of swindles and prominent failures which you will remember connected with it such as Alexander Collie and Co., and Heugh Balfour, and many others. Cotton fell with this man holding 150,000 bales of future contracts out of a total stock of 200,000 bales of American cotton in Liverpool in December. We had a financial smash, and cotton, before the panic was over, fell to 4¾*d.* which was an absolutely unheard-of price. "It was estimated that Ranger's losses were about "400,000*l.*, which, however, largely fell upon his financial "supporters, who were principally the leading foreign "bankers established in Liverpool, London, and the "Continent. I may mention especially that the stock "of cotton in Liverpool was at this time very small"—it was, as I tell you, 200,000 bales in December at the culmination of the panic—"and the fall in the article "was entirely due to financial pressure on future con-"tracts, and not to over-supply, because when the "former was over, cotton rose again at once to a con-"siderably higher value"—it rose by the following May, six months afterwards, to 7*d.* a pound. That was the first panic in this country based on futures. Of course it is a long story to go into why it rose to 7*d.* a pound, but I am perfectly willing, as I have already stated in my evidence, to give you the names of all the people who were interested in that enormous operation; why they had to back him up, and so on. I can give you the cause of the rise; there were sound grounds for it. The bankers were interested to an enormous extent, and they had to take up this actual cotton in the Clearing House, and by that means when the panic was over, cotton rose to its normal price. It never ought to have gone down to such an extent, and would not have done so, if it had not been for these enormous operations in futures held by this one man; and the fall ruined hundreds.

19,631. I do not want you to go further into that than is necessary to illustrate your point?—Exactly. "This shows conclusively that the system of cornering "which commenced then (owing its origin to the future "contract) and which has been gradually introduced "into many other articles of produce, is not only a "curse to every trader, but also brings about the enor-"mous swing of the pendulum in the prices of commo-"dities from one extreme to another." At Question 15,593 I was asked, "Then this system was introduced "as an improvement upon the previous mode of "settling speculative business," and my answer is: "On account of that." That was the principal reason that I gave you—that it was on account of the panic in 1878. But I should like also to say that the contract itself was altered to protect principal and client as described by the laws of England. A contract had to be framed by which every man became his own principal, because we all know that a man cannot accept a commission from a client and be his own principal; that is to say, he cannot sell it himself unless that man himself buys it from somebody. So the contract had to be altered to get within the laws of England which provide for the protection of principal and client. The systems were also altered to meet the times owing to the enormous strides made in the speculative department. Those were the two further reasons why those contracts were altered, and business is now done, as I explained to you, on the basis of these altered contracts, which have gone first into one trade and then into another since. The contracts are almost all worded the same. I should like to quote the legal decisions on this class of business in America and England. It was only in December last, after a great many cases had been tried in America, that the Supreme Court of America with all the judges present, decided that a man who gambles with no intention of delivering or of having delivery tendered to him is dealing in a gambling contract, and that that contract is null and void, and that no man need pay any differences whatsoever on that contract. As far as England is concerned, in "Commercial Gambling" I dwelt upon the cases which had arisen up to the time of writing that book, showing plainly that the law of England does not recognise operations in differences on the Stock Exchange or Produce Exchange as gambling. Under the new Gaming Act of 1892, the charge of gambling in these operations does not hold water. Since I wrote that book, I have no doubt that I have seen in the papers I should think from 12 to 20 cases tried in London and different places on that very point, raising the question, (whether it is gambling in the prices of commodities and in differences only or whether the question of principal and client comes in), whether the contract holds good or not. I have seen the question of principal and client decided in several cases in the law courts of England lately. Some of the contracts do hold good under the Act of 1892, especially where the question of principal and client comes in; but there are several cases, or at least there are two or three cases I know of, which are going to be tried exactly on this basis, that is to say, if you operate through me and you lose a lot of money through these systems, in case you can prove that the differences are simply on paper and in differences alone, whether I can claim upon you for those differences in the case of your making a loss.

Mr. C. W. Smith.
10 May 1894.

Reasons for alterations in contracts and systems.

Legal decisions in America and England.

19,632. If you could there would not be much necessity for legislation?—The law of England is very much divided on that point—very much so. But in America I wish to point out that it is only last winter in the Supreme Court that it has been absolutely decided by all the judges present that it was a gambling act, and therefore there is no recovery of differences if a man likes to be so dishonourable as to act on the principle of "heads I win, tails you lose."

American legislation.

19,633. They are introducing legislation in America, are they not?—They are, and the American papers point out that that is a most strong point to have had such a verdict in the Law Courts of America, as it supports further legislation.

19,634. (*Mr. Giffen.*) Can you give the name of a case?—There were, I should think, half-a-dozen cases, but I can give you the case where it has been declared gambling by the Supreme Court:—"Contracts for "fictitious property void—a far reaching decision—"other State and Federal Court proceedings and "opinions." On Monday, December 7th, in Jefferson City, "Judge Burgess, of Division No. 2 of the "Supreme Court, filed an important opinion to-day "in a case involving a construction of the law relating "to option dealings in grain. There was a cross-"appeal in two cases, one by the brokerage firm of

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"Conner and Conner, of St. Louis, to recover commission and $4,406 of margins from one Black, and the other by Black to recover $5,000 put up with the firm to hold up a deal on 100,000 bushels of oats. The Court finds that the dealings were purely fictitious, so far as an actual delivery of grain was concerned, and the Court holds that such transactions, under the existing law, are gambling and consequently void. It is held to be the duty of both parties to be apprised of each other's intentions. If even one of the parties to such a transaction is dealing in fictitious property the contract is also void. In referring to the suit of the firm against Black, Judge Burgess says:—'The plaintiffs were 'parties to an illegal contract, which they are now 'seeking to enforce, and in which the law will not 'aid them. It was said in the case of Irwin *v.* Willas, '*supra:* We are of the opinion that when the broker 'is privy to the unlawful design of the parties, and 'brings them together for the very purpose of an 'illegal agreement, he is *particeps criminis*, and 'cannot recover for services rendered or losses 'incurred by himself or in behalf of either in forwarding the transaction. We do not intend to be 'understood as holding that any person, company, 'or corporation may not sell any kind of personal 'property for future delivery which he may not at 'the time have in hand if he intends to deliver it, 'and has it on hand for that purpose at the time it 'is to be delivered under the contract, but if he does 'not intend to deliver it, and does not have it on 'hand at the time it is to be delivered for that 'purpose, he is guilty of a misdemeanour under the 'statutes.'"

19,635. I rather wanted you to refer me to the name of a case?—There are other cases as well.

19,636. (*Mr. Dalton.*) Have you got the names of the English cases?—I have got three or four here. Here is a quotation from the "Financial Times": "In the "Mayor's Court on Saturday, Mr. Taylor, outside broker, of 4, Copthall Buildings, sued Messrs. Wyatt "and Company, Limited, outside brokers, for 10*l.*, "differences in respect of transactions in Grand Trunk "Railway Stock. Plaintiff had bought stock from the "defendants at 41⅛ and sold them at a later date, the "same stock at 45¼, and there was a balance due of "the sum claimed to the plaintiff. Counsel said "defendants sought to set off that amount against a "transaction entered into by Mr. Collins, plaintiff's "partner, in Louisville Stock, with Messrs. Burnett. "The latter firm had not paid the defendants because "Collins had successfully pleaded the Gambling Acts "when sued. In cross-examination plaintiff said he "had bought the stock for a client who was prepared "to take it up. He had sold it on behalf of the same "client. The Common Serjeant: Did you ever place "yourself in a position to hand over the stock? Plaintiff said he did not purchase it. He was simply "acting as a broker. He never on any occasion either "handed over or received stock, but he had paid "differences. Counsel for the defendants called no "evidence for the defence, but contended that on the "plaintiff's own showing it was a gambling transaction. "The learned Judge said the jury had to decide "whether the transaction was a real one, or whether "it was merely a book entry, in which event it was a "gambling transaction and the plaintiff was not entitled to recover. The jury found for the defendants, "for whom judgment was entered, with costs."

English legal decisions.

19,637. (*Viscount Cobham.*) Have you the report of a case which had been tried in the superior courts?—No, that was in the Mayor's Court, and it is from the "Financial Times" of April 23rd. I should like to read you particularly another that I have here.

19,638. We have hardly time to go into these cases in detail?—This is really detail; I have any amount of detailed evidence which I can put before you, but it would take time.

A case in 1878.

19,639. Has any case been brought to a superior court or to the Appeal Court?—I do not think so yet. What I wish to bring before you is that in "Commercial Gambling" I instance a case which happened, as far as my memory brings me back to the year, about 1878, in that panic I have just alluded to. It was the case of a firm called Isaac. Low & Co. I think their differences were about 30,000*l.* or 40,000*l.* I give the particulars in the book. That failure I remember perfectly well. I was not interested in their failure myself, but I remember perfectly well that old Mr.—I forget his name—said, I will not pay any of you gentlemen; because why? You have accepted my commissions for doing this business; you have sold the stuff yourselves, and you cannot be client and principal. I remember that case perfectly well. It was threatened to be taken up to the highest courts in London, but it never went into the courts, and the brokers—a dozen or fifteen of the leading brokers in Liverpool I believe I am right in saying—very soon found out that they were wrong, because whatever Isaac Low & Co. had lost they had won, for they were the sellers. I remember at the time the position put forward in Liverpool *à propos* of that case was to the effect, "Where are we on our con-"tract? Are we to be shot like this if a man loses "money, or are we to receive it?" These cases were going on; there were several of them at the time, but that was the most palpable one. That has lain dormant now up to the last 12 months. It is only within the last 12 months that I notice in almost every paper I take up, either in Liverpool or London, that cases are being tried now from one of these points of view, either from the principal and client point of view, or from the the other point of view which I have tried to bring before you; that is, "Heads I win, tails you lose." It is most important to notice, I think, that the effort to throw out these contracts as gambling contracts in the cases of clients who lose by these contracts is very evidently on the increase. Then, at Question 15,633, Mr. Clay asks, "If I buy wheat why do they not form "the basis of the operation upon No. 1 wheat?" My answer was, "It would not suit the gambler." I had explained the point, I think, in the answer before—what I supposed was meant by the question, and what I meant you to infer by my answer was, that the higher the grade on the contract, as the minimum tendering clause, the better it suited the gambler, who only wished to speculate in paper and in differences. If you will look at the answer to Question 15,634 you will see that is really a repetition of what I have just stated. For instance, the future delivery contract of Californian wheat in Liverpool says, about equal to No. 1 standard of crop, which is the highest standard. The future delivery contract for American red wheat says, of quality not lower than the standard of No. 2 red winter, or No. 2 spring; consequently hardly any wheat can be tendered against the former contract, and very little against the latter. Hence the contracts of themselves forbid it possible for any large tender to be made against them, and are absolutely reduced thereby (as they are) simply to gambling ones in the prices and for differences. I have the contracts for inspection which some gentleman asked for. Those are the contracts at the time for wheat (*handing in documents*). You will find cotton contracts there also, and the whole paraphernalia connected with the Cotton Exchange; they explain the whole position. Then with reference to Question 15,653, referring to a special transaction between A and B, I have written out an explanation of such a transaction as far as I possibly can. I have made it as plain as I can, and I think it is rather important that you should hear it. A, an importer, buys in May, say, 1,000 quarters of foreign wheat at 4*s.* 8¾*d.*, which is equal to the Liverpool spot value. He sells to B, a speculator, as a hedge against this purchase 1,000 quarters, September delivery, in the shape of futures at 5*s.*, A, thus obtaining a premium over spot cost in his sale of futures of 3¼*d.*, B having bought can resell this contract to C, and C to D, and D to E, and E to F *ad infinitum*. You must remember there are hundreds—indeed there are thousands—of contracts floating about between the two markets of Liverpool and America, and the moment those contracts are made they go into thin air. There are thousands and thousands of them floating about between the two markets. Therefore, this actual contract is never liquidated until the end of September under the settlement system, unless by chance B has not re-sold it and sells it back to A. This is most rare, but it is the only way that the contract can be liquidated. If I was to sell a contract every ten minutes of the day, or buy back again, I know no more where that contract goes to than you do—it goes about somewhere. Between May and September on every settlement day all contracts of same month are rung out compulsorily between A, B, C, D, E, F, &c., and the differences due paid or received on these contracts. Thus these contracts are dead contracts, without any tender being made against them, and there is no liability attached to them, and they never again appear in the settlement. That is under my contract which I originated in cotton,

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Wheat contracts.

Explanation of a transaction.

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and which has gone into the wheat trade. That is the principle and client contract, and it is yet under the laws of England. These contracts which are not rung out continue to come into the settlement every day, until they are rung out or until a tender is made against them. Therefore, you see if we gentlemen in the room were to make contracts every quarter of an hour of the day for a month, I might sell wheat to you to-day, a large line of stuff, and never be able to buy from you that same month until three weeks' time; then that contract that you and I make to-day would go into every settlement until you said "I sell back to you," and then it is rung out compulsorily. The particular contract which A sold to B can be liquidated as far as A is concerned when he buys from anyone a 1,000 quarters for September delivery. This may be any time between 1st May and end September. It is then worked into the general settlement, and only liquidates itself at end of September, unless rung out in the interim by a purchase (which need not be the actual original contract) back from B the original buyer. Or A can liquidate the same by making an actual tender in September to B of 1,000 quarters, but which original contract may have been by that time resold over and over again, say 20 times—aye, as many as ever you like. But remember that every man who buys that original contract becomes a seller himself. He becomes a bear himself, because it does not matter whether it is a re-sale, or whether it is a fresh sale; he is a compulsory seller of that contract. Therefore, that contract may be magnified, as I say, into any amount of times by sales and re-sales, and not only that, but everyone of those speculative buyers who buys those contracts may do—what? may in a falling market or in anything happening in the financial world, or anywhere else, to make that man nervous, sell again another future of a different month as a hedge against that. Therefore, nobody knows how many times the basis of one contract has been multiplied in speculation on the exchanges; and all this fictitious grain absolutely without any tender is floating about on a daily settlement.

19,640. (*Mr. Clay.*) The man that buys in May, does he pay in September for the bales if the contract is not rung out?—I am coming to that, if you will allow me; I explain that a little later on.

19,641. Perhaps you will kindly explain it in answer to the question now?—Exactly; if there was an absolute tender made in September he settles, but then he has to pay cash.

19,642. According to the decrease or the increase of the price?—He has been paying on that on every settlement day. As the market fluctuates up and down he pays or receives every day. If that goes against him every day he has been paying every day, as most men have since 1890 with the exception of 1891. Therefore there is only the balance to be settled on the last settlement, which may be a very small thing.

19,643. That is in September?—Yes, unless that contract has been rung out. It is 100 to 1 that the contract has been rung out.

19,644. (*Viscount Cobham.*) They settle up their differences?—Every day.

19,645. There is no contango or backwardation?—No. That exists on the Stock Exchange only.

19,646. (*Mr. Giffen.*) They have a sort of Clearing House arrangement for setting off one contract against another?—Certainly. For all the different produce they have different rules, and in the grain trade there is a large business done which is never reported at all. In cotton we report nothing, we only make up our weekly settlement differences, and nobody knows anything I have been doing in the week. I may have sold 100,000 bales of cotton, or bought them, and nobody knows except that the market has an idea that I have been a big buyer or a big seller. But in the corn trade there is a certain amount which is what they call registered, but I shall come to that in the fresh evidence which I have prepared. To continue with this transaction between A and B, A can liquidate the same by making an actual tender in September to B of a thousand quarters, but which original contract may have been by that time resold over and over again, say, 20 times. In that case the last buyer of this particular contract finds the cash to pay A, the importer, which is done through the Clearing House, and thus this transaction is finally closed. All intermediate parties (unless rung out as explained by having many dealings of September deliveries together), simply paying up the balance of differences due in this last clearing—which answers Mr. Clay's question I think. But, as explained, tenders are and can be hardly ever made on account of the terms of the contracts, the majority of contracts liquidating themselves as explained above. Tenders are only generally made when there is a corner on, and the cornerers demand delivery against their purchasers, and then only can tenders be made if the sellers happen to hold or can buy wheat suitable for tendering. If they cannot they have to buy back their contracts from the cornerers, and these again are rung out in the settlement, or tenders are made when the contract price of the month sold, owing to the manipulation, is higher than the market price of the wheat itself, or, again, when the importer wants to raise cash. Those are the three principal causes which cause tenders to be made. The importer A may, however, between 1st May and September have made 10 distinct and separate sales of futures against this one purchase of actual foreign wheat sold to B. That is buying back from any one September in flat markets and hoping to let them out again at more money. Or he may sell other months instead. In this way he hopes to hit the ups and downs of the market and make many small profits on paper thereby or losses if his judgment is wrong and the market does not go his way of thinking. But remember, if he has taken in his hedge *pro tem.* with the idea of a small re-action upwards and he is wrong, why he lets out his hedge in the shape of another sale of futures at best price possible so as to be covered in case of a further decline. The profit to the importer depends then more upon his manipulations in the future market than in a profit in his real wheat. His profit lies in futures. If he can make 10 or 20 successful ins and outs on that gambling market on paper he can afford to sell the wheat at any price. And therefore, as I say and have explained, he is more interested in a succession of declines than of advances, declines suit him far better from every point of view, because he is a bear on paper.

19,647. Why should he import the wheat at all?—There you ask me a very peculiar question. I have been in business all my life and personally as a man of business I have never imported anything; I have sold it short without any bother at all, and made the money. If you come to ask me a plain business question, I have been astonished by seeing men worrying themselves with importing anything at all when they can by simply selling, and selling without importing anything at all, make money by the end of the week, and pocket the difference and put it into their banks.

19,648. (*Mr. Lambert.*) Do the speculative buyers or the speculative sellers never make any losses?—The latter very seldom. I have explained in "Commercial Gambling" very clearly that the majority of speculative operators in England, I put it at 99 out of a 100 or 999 out of every 1,000 men are bulls; the bears principally in England are the men who import the wheat on the basis of these systems. It is the basis of importation which is so rotten because it is simply reduced to a gamble in the price of fictitious commodities on paper, and it is quite immaterial what the value of the real wheat is.

19,649. (*Mr. Giffen.*) They do not need to import the commodity in order to gamble?—You must remember that a man goes into a business on the supposition that it is a business. We cannot all live upon gambling, there must be some basis. A man wants credit, he must show the nature of his business, and that he has got money. One thing I can say is that, by the aid of these systems, the whole business of this country is absolutely reducing itself to a mere gamble pure and simple.

19,650. (*Viscount Cobham.*) Would you say that a man can gamble without importing, but that he cannot import without gambling?—That is quite right, and that is the great point on which I gave my evidence last time I was here—men with 50*l.*, 100*l.*, 200*l.*, 300*l.*, 400*l.*, and 500*l.*, have been introduced into the business, and they import thousands and thousands of pounds worth with their small capital and have driven out of the importing trade the old-fashioned English merchant who had his 100,000*l.*, 150,000*l.*, 200,000*l.*, or 300,000*l.*, and imported stuff legitimately into this country without selling options and futures. This stamp of merchant has been beaten out of the trade. I think I did on a former occasion as far as I could explain that. The systems have introduced quite a new class of men, and the basis is now reduced to a gamble.

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19,651. I understand you to say that generally all importers are bears?—The importer must be a bear—on paper he must be. I have done it myself. I have imported for clients. As I have explained, I have been a broker and perhaps the most legitimate broker in this country—that is a broker acting for clients as much as I possibly could in business. I have often said to a man: "Now just import sugar, or wheat, or cotton, "any article you like, and let me manipulate on that "operation." Why, gentlemen, I have done 20 or 30 or 40 successful bear operations for that man. Sometimes I have sold double the quantity of stuff he had and made a double profit. I have never looked at the actual value of the real stuff at all. I have always been covered in case the market declined. Sometimes I have sold considerably more than I held for the man, making profits for him, and handing over the differences, and at last he has got so much profit on paper in hand that he has said, "Sell out, and hand the stock over." I have alluded to A, the importer or say a bear—and bears, you must remember, include importers who sell, although we have got a whole class of bears and illegitimate operators who sell without holding anything at all—obtaining a premium of 3¼*d.* on his sale of futures. Let me show how this is in favour of the bear. Say price of September delivery is 3¼*d.* higher than the spot price in May, and the latter remains unaltered during the whole period, the result will be that this 3¼*d.* will be gradually absorbed by the bear; the nearer September is approached so will the premiums decrease, and by September the whole of the premium will have fallen entirely into the bear's pocket. In the meantime the bear and his brethren will have succeeded in beating down spot prices, so that the bear not only gets the 3¼*d.* premium which he obtained at the time of sale, but he also gets the reduction in the market price as a further profit, and very often in flat markets, and always in panics he witnesses the month he obtained 3¼*d.* premium for go to a discount under spot which gives him another profit. On the other hand B, or a bull has to wait for a rise of 3¼*d.* in actual wheat before the spot price comes up to the price which he bought the September delivery from A at, and all the time he is witnessing this premium gradually disappear as the month of September draws near. You will see the great difference between the bull and the bear on the Stock Exchange from that point of view, and the bull and the bear on the Produce Exchange and the unfair handicap on one.

Difference between Stock Exchange gambling and options and futures.

19,652. (*Mr. Giffen.*) Does not the spot price and the account price approximate as the settlement day approaches on the Stock Exchange?—Yes; but you do not pay any premium on the Stock Exchange; you buy at the market price, but there are not what you call heavy premiums.

19,653. There is a difference between the spot price and the account price at the beginning of the account, but that disappears as the account goes on?—Exactly, but still there is not the big premium that there is upon distant options in produce. Remember also, the premium of 3¼*d.* which A, the importer, or say, a bear obtained is really illegitimate, because the bulk of these future contracts are only a gamble in the prices or a bet on the market and based on paper wheat. If they were *bonâ fide* transactions and carried actual wheat against them, the premium would be legitimate enough, as the premium is only supposed to be equal to what is termed a carrying power—that is the expense of carrying wheat from month to month—while as far as B, the bull or speculator, is concerned, it would cost him say about 1*d.* per cental per month to hold wheat from May to September, if he had speculated in May and bought actual spot wheat for a rise. This latter class of speculative business is however dead since the introduction of the gambling systems. Then in the answer to Question 15,663 I said that I was a sleeping partner in a firm——

19,654. (*Viscount Cobham.*) That has been corrected in the proof?—Yes, but I should like to explain this because it is a most important thing for me. It is a personal matter entirely. I used that term "sleeping partner," but it certainly was not right, because when I left the firm some five or six years ago, I simply made a sale of the firm for the benefit of two sons of mine at a very long date, as the men had not the money to buy me out of the firm at once. I should be very sorry indeed if I should be thought to have used the word "partner" before any official body at all, because in the event of that firm failing, they could throw it in my teeth that I had declared I was a sleeping partner. I am no more a partner, gentlemen, than any of you in the room; therefore I should like to contradict that most plainly. Then in answer to Question 15,688, I have at the last sitting put in a copy of the Hatch Anti-Option Bill which was before the House of Representatives. I should like to read that. The Secretary has had in his possession the corrected Anti-Option Hatch Bill some three weeks. The Bill which I produced in this room on the 6th April has been corrected by gentlemen I have been in communication with in America. The most important alteration in it I notice is that all dealers in options and futures have to find a bond with at least two sureties for a penal sum of 3,000 dollars. I think that is a very strong addition to it, because that is a great deal of money for any men to find who wish to have any dealings on the produce exchange or any dealings outside the exchange, whether they are private individuals living in the country or elsewhere. The Secretary has also had a copy of George's Bill as introduced into the Senate. This Bill simply proposes to make all dealing in options and futures a misdemeanour. In further answer to Question 15,710—I think Mr. Chaplin was interested in this—I can now give to the best of my belief the various steps taken by continental nations to prohibit bourse and produce speculations. I have got, as far as I have been able to gather them from the papers, the various steps which have been taken in the last 12 months by the various nations. It may be interesting to have them.

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American legislation. The Hatch Anti-Option Bill.

The George Anti-Option Bill.

Continental legislation.

19,655. It would be sufficient if you gave us the present position of legislation with regard to these matters?—As far as I can make out all the steps taken have been done in the last 12 months. I can give you what has been done in Russia and France, and I can give you what Germany is going to do now. As far as Russia is concerned, some 15 months ago the Imperial Bank informed the St. Petersburg and other banks by circular that in order to place obstacles in the way of speculative operations, it will grant no advances or call except to such an extent as may be required by the effective withdrawal of deposits by banking customers, or by the needs of commerce. Further, Russia, as far as I can make out by the German papers, which are the papers which have been sent to me lately, has prohibited business for future delivery unless the seller can prove that at least one-third of the goods are really existing. I believe also there is a heavy penalty attached under this law. As regards France, on January 30th, M. Vigier, Minister of Agriculture, announced that the Government would the next day present a series of measures destined to restrain speculation. Those measures would comprise the diminution of time, during which wheat may be left in the depôts which enables large speculators to house wheat for several years.

Legislation by Russia.

Legislation by France.

19,656. You have given us that, I think?—Yes, I read to you that. On February 10th the *Standard* has it that the Ministerial Bill reducing to one year the period for which cereals may be bonded was signed by President Carnot. As regards Germany, since I was in this room last, you may have noticed that the German Government has really passed the German Bourse Taxation Bill, and that the same came into law on the 1st May. That is following the steps that France has already taken, and which I dwelt upon when I was in this room last. As regards the steps taken in Germany at the instigation of the Landlords' and Farmers' Alliance for the last 12 or 18 months, I have been in communication with them at Berlin, and I received this letter last week, which I should like to read to you, showing the latest in Germany on this very topic which I am urging before the Commission:—"I beg to acknowledge receipt of your letter of "23rd April, and to communicate to you the informa-"tion which you desire in reference to your inquiry "as to the position of the question of the reform of "the Exchange in Germany. You have been correctly "informed if you presume that the Exchange Tax "Law, which came into force on the 1st May, contains "no proposals of reform effectual and general, and "that the Produce Exchange is not changed thereby "in its customs. On the other hand, it was rendered "conspicuous on the part of the Government, in the "proceedings of the Reichstag in connexion with the "Exchange Tax, that a law for the organisation of "the Exchange was in preparation, and that it would "probably be brought in during the next session of the "Reichstag (1894–95). The Imperial Government"—you will note that it is the Imperial Government that

Legislation by Germany.

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is bringing in this Bill—"keep still secret the details "of the organisation planned; still, it is generally "assumed here that the reforms will only conform "themselves with the proposals of the Commission on "the Exchange Quota which sat until the autumn of "1893, and by this time has published rich material in "the shape of eight large volumes (shorthand reports, "reviews, statements, and statistical supplements)." Germany has been, I should think, for the last 18 months since it was brought before their notice taking similar evidence to that contained in the bound volume of the American Commission which lasted three years in America. That evidence has been published in eight large volumes, and on the basis of that the Imperial Government are now framing a Bill which I will read to you the particulars of as far as they are known, although the Government, as you see, keep them secret:—"The proposals of the Commission as "far as they touch the Produce Exchange amount "substantially to this:—To restrict the circle of those "admitted to the business of the Exchange. To "prevent the public as much as possible from "speculating themselves or through brokers. To "bind everyone who deals in the Exchange to allow "himself to be inscribed in an exchange register, &c. "The Commission hope by this measure to limit the "business in differences, and to procure again a safe "basis for the real business. The proposals of the "Commission on the Exchange quotations have "produced a general disillusion, specially among the "agricultural lists, owing to their less effectual "character. Therefore, the fear appears justified that "justice will not be done to our demands by the law of "which prospects are held out to us. The Board of "the Agricultural League have from the beginning "endeavoured to collect all materials relating thereto "in order to be able then to make effectual improve-"ment proposals on the Bill of the Government." I might say that that took place in exactly the same way as on the American phase of the question. It is the Farmers' Alliance that keeps making the different suggestions to the Government. "For this reason I "should be particularly grateful to you for all "communications enclosed, and I specially request "you to communicate to us, if possible in print or in "writing, the respective American law proposals (Anti-"Option Bills) which you mentioned in your last "letter and which appear to you accessible." He then urgently hopes that this country will look into the question.

19,657. That is to stop all gambling in futures and options in produce?—In everything, just like the American Bill. Since I was in this room last I think it is also most important to read to you what has actually taken place in the Reichstag some three weeks ago. Count Kanitz had a motion before the Reichstag on this very question. He had been anxious to bring a motion into the House for a State monopoly, that is for taking it entirely out of the Produce Exchange's hands. The extract that I have here says:—"The publication of the Kanitz motion, "which wanted to see the trade with foreign bread "stuffs placed in the hands of the Government, "produced a real howl of rage in all the democratic "newspapers; indeed, the large corn chafferers"—who are the speculators—"saw themselves in spirit already "deprived of the millions which the far from arduous "Exchange business brings them now yearly." "Now "in order to help again a little the distressed German "agriculture as against the powerful foreign com-"petition, and at the same time to allay somewhat the "unheard-of speculation in bread stuffs, Count Kanitz "brought in his well-known motion in the Reichstag "which was unfortunately rejected by a hardly "competent House; there were present only 205 "members as the voting showed, and to form "a quorum at least 199 of the whole 397 members "were required; therefore there were only present "six votes beyond the number required to decide." It goes on to say that the newspapers took it up like the American papers. What I have tried to show you and to explain to you is that it is only in the last 12 to 15 months that first one nation and then another has absolutely become in earnest over these gambling systems. You must remember that in these countries which are taking these strong legislative steps this legislation has been entirely brought about by the pressure from the landed interest and from the farmers' alliances in the various countries. I say in my evidence—which I think is perfectly true—England being a free trade nation has absolutely been considerably more hurt, as I shall show you later on by some very important evidence I have got from America. Therefore it is of far greater interest for England to take this question up which I am expounding before you now than for protectionist countries like America, Russia, Germany, and France. The Standard, May 17, says:—"The Argentine Government intends to appoint "a controlier of the Bourse, who will require to be "furnished with the names of all persons concluding "time-bargains." This is important, because these time-bargains affect the currency which has been and is giving temporarily the Argentine farmer such an advantage over other countries. Still it is well to remember this appreciation in gold is put forward as the ruin of other countries and of farmers in other parts of the world. A prominent agriculturist in Belgium writes to me to forward my book, "Commercial Gambling," as he is putting together considerations on the subject concerning his country which will be published in the leading agricultural journal. I mention this fact to show that yet another continental nation is looking into these systems. Then in Questions 15,715 and 15,716 I was asked about stamps. I wish to add that, as regards stamps used on future contracts, I find in the Liverpool Cotton Exchange they are now only required when a tender is actually made and no contracts are registered. Hence few stamps are required. In the Liverpool Grain Exchange a stamp is required only when a contract is registered or a tender made—a 1*s.* stamp on every 100 bales of cotton and a 2*s.* stamp on every 1,000 quarters of grain. Stamps are issued by the Clearing House. Hence no profit or loss to the Government, the great loss owing to the above new rules falling upon the Clearing Houses. Consequently all contracts which are not registered and have no tenders are rung out by the means of the settlement system and carry no stamps nor have any charge whatsoever upon them. Registering a contract is not compulsory; hence the great majority of future contracts are not registered and are not reported. The only object of registering is to ensure the payment of margins on a rising or falling market, and requires the consent of the buyer and seller. It is a mutual arrangement. I think that answers the various questions put to me on April 6, as regards stamps, &c.

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Legislation by Argentina.

Belgium.

Stamp and registration of contracts.

19,658. They trust each other; that is, it is a system of mutual trust?—That is so with the strong men for various reasons if they do not want to register contracts; it is more convenient. Suppose you were a merchant operating through six brokers under the present contract, of principal and client, you only deal with those brokers; therefore every time you deal with those five or six brokers, every time you buy or sell with them that contract of the same month is rung out and your liability ceases. When the ordinary run of people, who are the weak people in the market, have to deal, they take good care to be registered, because then it is an absolute certainty and their margins are paid. At Question 15,727 reference is made to the number of quarters of wheat sold in a day. Over 2,000,000 quarters of wheat were sold in New York alone in one day.

Sale of futures New York.

19,659-60. Actual wheat?—No, futures. 2,100,000 quarters of wheat were sold about a week before I was in the room last April. The spot sales were reported nil; and the total export of real wheat for the whole week to all Europe was under 400,000 quarters. That only refers to New York alone, but there are four or five other places where Futures are sold, such as Duluth and Chicago. I just mention that to show the enormous Future business that is going on and how it is increasing. Then at Question 15,735, I am asked, "But "why should there be a foolish buyer who does what is "clearly not to his own advantage?" I am sure, gentlemen, if you read "Commercial Gambling" from page 140 to 151, and also my printed statement of evidence on this subject, and the answer that I gave to Question 15,733, you will see why the foolish buyer is caught upon every opportunity. I refer specially to those answers, and especially to those in "Commercial Gambling." It is a long thing to go into but I thought I would like to refer to that particularly. Then I should like to refer to Question 15,774 and the cross-examination that took place by Mr. Giffen. I think a definition is required as evidently Mr. Giffen and myself look upon the middleman in different lights. I have always looked upon middlemen in the commercial world as wholesale markets as those who profit by or deal in or who handle the produce from the time it leaves the foreign farmer (as explained in previous

Middlemen.

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answers, to Mr. Giffen) to the time it reaches the cotton spinner or miller. In the retail market I look upon the middleman as the dealer. The baker and butcher may turn themselves into middlemen by dealing, but their business, as a rule, is again distinct. The miller is not a middleman, as I stated in Answer 15,774. The miller and cotton spinner are distinct businesses. The miller has really been a loser by the enormous imports of foreign flour as also by the enormous fluctuations principally downwards in wheat the past few years. As I stated in Answer 15,774, the systems of selling flour ahead are largely in vogue (see pages 85 to 86 of "Commercial Gambling"), and also remember millers are large speculators themselves. They sell largely options of flour ahead and either cover themselves by buying wheat options, or they sell the former pure and simple without covering themselves by wheat, and consequently become bears of flour. The London Produce Clearing House, I may remark, some two or three months ago wanted to drag the question of flour into their systems, and a contract was framed with that object and for one or two days they gave the actual future quotations of flour. But I believe that the Millers' Association in London would not have this contract at any price, and the consequence was that it was dropped *pro tem.* That is all the further evidence that I wish to give on the cross-examination. I desire to put in, as further evidence which I consider most important, the Report of the Sub-Committee to the American Senate on Agricultural Depression in the United States, and its causes and remedies, which is just issued, and which only came to my hand last week. That confirms not only my views about the gambling systems, but also corroborates many important parts of my evidence, both from the agricultural, commercial, and financial points of view. I wish specially to refer to pages 6, 27, 28, and 53, as regards the market price of the American surplus of wheat being fixed by Liverpool, and that the export price, to a large extent, controls the price of wheat as sold in the home markets of America; also the remarks on page 29 about the Liverpool price governing the prices at other places, and the remarks about Indian wheat competition with American. I think it is most important to put those extracts in as evidence, because they really corroborate me in so many important points as regards what I have always maintained right through with regard to this important question, namely, that it is the Liverpool price and the Liverpool contracts which regulate the price of wheat all over the world. That Liverpool contract does it all, and it is a gambling contract in options and futures for differences.

Future contracts in flour.

Report of the sub-committee to the American Senate on agricultural depression.

Liverpool contracts and the price of wheat.

19,661. Is this report to which you refer a recent report?—Yes; it is like a Royal Commission Report to the Senate. It is just issued.

19,662. It would be useful if we could have copies of it?—With your permission I should like to put in this copy as evidence, and you can keep it as long as you like There is only one other copy in England that I know of, and I can make use of that. On page 6 of the Sub-Committee's report in plain language it says: "The market for wheat in the United States is fixed "by dealers on the Board of Trade in Chicago"—that is the produce exchange—"and for all the surplus "wheat and corn exported the price is fixed in Liver-"pool, England." I think that is plain enough. Then on page 27, after augmentative evidence, it says: "When it is considered that the market price of our "surplus wheat is fixed in Liverpool, England, and "that the export price to a large extent controls the "price for what is sold in the home markets it is "readily seen"—so and so, and the report goes on to explain that all Europe is practically self-supplied with wheat, the only exceptions being the United Kingdom of Great Britain and Ireland, and Belgium. I may remark that Belgium is a small place, and has none of this gambling going on at all—none that I know of, at any rate. It goes on to say: "With "these two exceptions the different countries of Europe "are able to supply one another with all the wheat "they need in average years. For all practical pur-"poses it may be said, therefore, that the wheat "required by Great Britain and Belgium composes "the quantity which is known as the world's demand, "and to supply which the farmers of all wheat export-"ing nations are in continual competition." Then, after again giving the particulars, it winds up by talking about their business. It says: "If the Liverpool "price governs prices at other places it is easy to see "that Indian wheat competition in that market to the "extent shown in the foregoing figures does injuriously "affect the price of American wheat."

Report of the American sub-committee.

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19,663. (*Mr. Giffen.*) It does happen sometimes, I believe, that the price in New York is higher than the price in Liverpool?—If there is a corner on. I give you the strongest evidence of that. Of course, if there is a corner and manipulation, that draws it up unnaturally; but there is always a tremendous smash after that in every year when there has been a corner. I gave you the particulars of the 1891 panic. I gave you also the particulars of the Cudahy Syndicate, a large syndicate which was formed at Chicago last year. Prices are something like 36 per cent. down from last May in America since Cudahy failed to corner wheat. The whole fall is artificial from beginning to end. However, I think when you see this report of Mr. Peffer, you will see that it bears out what I have tried to explain, and which has been my sole point, namely, that it is the value of the American and English future gambling contracts in the American and English markets which rule the price of wheat. It is wheat versus wheat; it is not wheat versus wheat and silver, or wheat versus wheat and gold. It is a competition between wheat versus wheat which is doing the damage, and the prices of options and futures ruling in America and England are the prices regulating every part of the world, including our little country towns in this country. Our wheat comes into competition with the foreign wheat, and the American price and the price at Liverpool, England, is the price that rules. Consequently, that being so, if I can prove, as I will do, that that contract which rules the value of the wheat all over the world is a gambling bit of paper contract, that only bears out what I have tried to show, that it is the ruin of the world, and that this whole decline is artificial and fictitious. This report also goes into the question of futures; and after giving it as one of the causes for the decline, the sub-committee go on to give national legislation as one of the remedies. They divide their remedies; they say the farmers can do so much, and other people so much, and that other things should be done by national legislation. The Report says, at page 102:—"Having discussed this subject," that is futures and options, "somewhat at length when "assigning causes of depression, nothing further is "needed in this place than to demand that the business "be abolished and prohibited under heavy penalties. "It ought to be made a felony and punished by im-"prisonment. If the business is wrong in itself and "hurtful, it ought not to be tolerated."

Corners in wheat.

Report of the American Sub-committee.

19,664. Can you tell us how much wheat is under contract to be delivered on the Liverpool grain market to-day, for instance?—Nobody has the faintest idea.

Amount of wheat under contract in Liverpool.

19,665. You have never made a calculation of how much is under sale, under obligation to be delivered?—It is quite impossible, as I have explained to you. Do you mean in options and futures?

19,666. No, the whole amount that people are under obligation to deliver at one particular time?—No.

19,667. How much is outstanding?—I think it is quite impossible to get at such a figure.

19,668. Would it not be all known with these daily Clearing House arrangements?—No, as I have explained to you under the Liverpool wheat rules it is not necessary to register every contract. There is a very large business done which nobody knows anything about. Suppose you yourself were a large buyer of wheat in America yesterday or in any other part of the world, and you had a very large line of stuff on hand you would not like everybody to know that you were a very large seller of futures—not at all, that business is kept a dead secret. In the cotton market we never register anything, it is a dead secret. The Clearing House can, however, find out in cotton how much is sold, because they can calculate the fall in the market on the week, and they know that so much is paid in the balancing. The Clearing House can find out that and estimate exactly how much.

19,669. That is exactly what I meant?—In wheat you cannot do it.

19,670. Why not? Surely some of the leading people in the trade could make a calculation for their own information—I would like to know how much is under obligation?—It is quite impossible—absolutely impossible. The Cotton Clearing House can do it, but with wheat it is quite impossible for the reasons I have given you.

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19,671. But surely from the amount of money passing on differences and things of that kind, you would get to know how much is outstanding at any one moment?—I have told you that there is a great deal of this done which is never reported and never registered at all, but which is kept a dead secret.

19,672. But still the leading people in the market must know about it?—They may guess it. Remember, the American future markets are largely used also as the basis for importation into England.

19,673. If it is only a rough sort of guess I should like to have it for our information?—It is a thing that I could not absolutely give you the slightest opinion on and if any man were to make a guess I should laugh at him myself.

19,674. It is quite possible that crops may be sold over and over again in the course of 12 months, but the amount under sale at any one moment may not be so very large?—Of course the markets are bullish and bearish, that is known. If a market is a bull market the people know it, or if it is what they call a bear market they know it, but as for the extent of the business I do not think anybody would know, and I do not see how it is possible to get at it. Perhaps no man in England has ever tried to make greater guesses than I have, and published them and based my views and prognostications on the future upon what I have worked out for myself, in fact I am at the present moment deeply engaged on this very question as regards cotton, but there of course it is a dead secret.

19,675. What I really wish to get at is how to form some notion of the amount of speculative business in proportion to the real wheat that is to be sold?—I do not see how it is possible to get at that in any way. You can get at it as far as it is reported in the Clearing House annual statement. I have got a copy if you would like to see it. It was published about a month ago. This is from the annual statement of the Liverpool Corn Clearing House for the year ending the 31st March 1894. That statement gives a variety of figures, but it is not worth the paper it is written on, as an example of the whole business done in futures, for, as explained in my evidence, a large quantity of foreign wheat imported into England is hedged by futures sold in America.

19,676. Because it does not include all the transactions?—Not at all. As far as it goes, I think it will be perhaps most interesting for you to know the number of contracts that were registered. The actual tenders made against those contracts as far as they were registered were infinitesimal, there were no tenders in fact. The figures are: 3,810 centals in the 12 months ending 31st March 1894, were actually tendered against 12,235,000 centals sold.

Classes of wheat affected by gambling.

19,677. I think you told us that not only are there sales of wheat which the people have not got to deliver, but there are sales of certain kinds of wheat which hardly exist at all, and a large part of which is not of the description which could be delivered?—Exactly.

19,678. Can you explain to us how the kinds of wheat which are not capable of being delivered—which are out of the market as it were altogether—are affected in price by these gambling transactions in things that do not concern them at all apparently?—Do you refer to a lower grade of wheat?

19,679. To a different class of wheat?—How they are affected?

19,680. How a class of wheat is affected in its price by the sale and purchase of some other kind of wheat altogether which perhaps hardly exists?—All classes of wheat are absolutely regulated by the quoted value of the option and future contracts.

19,681. Why are they so regulated?—Between America and Liverpool, although they cannot be tendered on those contracts still the value is regulated, because they are sold as a hedge against these either in America or England.

19,682. If I have a thing to sell which somebody else wants to buy, how is our dealing affected by the fact that some other people—strangers to us—had been dealing in another article altogether?—Say that everyone of you gentlemen on that side of the room are legitimate importers holding any class of wheat in any part of the world you like, and we on this side of the room are dealers in futures and options. We have imported wheat and so have you. You may vary your class—No. 1 or No. 2, certainly; you may say "We are not going to sell options and futures"; quite right, you do not, but we on this side of the room have sold options and futures, and we have done so on the basis of a contract which brings down your holdings to the value of that which we have sold. That is how these options and futures work.

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19,683. Yes, but my point is that the options and futures are dealings in one article, and that the article which I have got to sell is a totally different article?—I quoted here, if you will allow me to read it——

19,684. No, I think we must not have any more reading?—I have dwelt upon all that in "Commercial Gambling," and in my printed evidence.

19,685. You cannot carry it any further than that?—Oh dear yes! I can carry it very much further. I myself have imported East India cotton as against American cotton futures. I have also imported cane-sugar on the basis of a sale of the beetroot sugar future contracts. It does not matter where the grain is; it may be grown in any part of the world; I will import it to-day and I will sell against it the future contracts, such as are used in Californian or red American wheat to-day. To further explain, I should like to quote the words of Mr. Hatch from the Committee on Agriculture to the Senate in America, and which I put in as additional evidence. The fifth object by his Bill introduced into the House of Representatives is worded as follows:—"To prevent the overloading of domestic "markets and the breaking down of prices of farm "products by short sales made by foreign merchants, "for the purpose of insuring them against possible "loss on purchases of Indian, Egyptian, South "American, Australian, and Russian produce, whereby "the American farmer and planter are made under-"writers of commercial risks of the European, by "whom no bonus or premium is paid for assuming in-"surance risks that destroy the value of our products."

19,686. I can understand that if they were dealings in real wheat to a large extent, but I understood your point to be that people dealt in a kind of wheat which hardly existed at all?—I say the minimum grade on that contract which can be tendered is so nigh that it reduces the possibility of any tender on that contract to a very large extent. In the evidence that I gave in this room the last time I was here, I read out to you what Mr. Wood Davis of Kansas said in his evidence before the American Commission.

Minimum grade on contract.

19,687. That only proves the point that I desire to make, namely, how can dealings in an article which hardly exists, and in which anything may happen, regulate the price of immense quantities of actual stuff which some people have got to sell and other people can buy?—Say you are a buyer or a seller of any class of wheat or any class of produce you like which comes under the systems, that price is regulated by the price ruling in Liverpool or America to-day.

19,688. You have just been telling us that the thing in which people speculate is a non-existent class of wheat to all intents and purposes?—It is to a very large extent by the words of the contract. I can give you the strongest evidence of that to-day. I will take the Liverpool cotton market to-day. There has been a small crop of American cotton; there has been a panic in Liverpool lately, the old story, always a panic; cotton is very low, 3¾*d.*; there are thousands and thousands of those contracts floating about to-day. Now my information yesterday from my late partner was this: that almost every bale of that cotton, owing to a high class crop in America this year, is tenderable under those future contracts, but there is nobody who tenders it. The whole market is being regulated by the price of May deliveries and futures. It does not matter who holds it, or whatever part of the world you are in; if you wire to anybody what is the value to-day of any wheat you like, "What is the value of futures" is the first thing that is asked; so-and-so is the answer; you make them your value—the value is not made by the price of real cotton or wheat itself.

Values regulated by option and future contracts.

19,689. If in dealing in futures they are dealing with a real article, I can quite understand, but I understood your whole point was that it is not a real article?—It is not; it is dealing in prices and in differences of a paper contract in fictitious wheat or cotton.

19,690. Then how can it affect the price of anything else at all?—Suppose, for argument sake, that the price to-day is 20*s.*, and that you are in Liverpool or London as a merchant; you say the value is 20*s.*; you are only a buyer on the basis of 20*s.*; you are not giving

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any more; you are not going to import wheat for the British public for the love of importing it and feeding them. You go entirely upon the value of the price of the option contract in Liverpool, or London, or America.

19,691. What is the use of my purchasing an article which I cannot get?—But you can get that.

19,692. But you said just now we could not?—Could not get what?

19,693. It could not be delivered, you said?—No. 1 wheat, you mean, a high class wheat.

19,694. I do not mean any kind. You told us there were dealings in a kind of wheat which could not be delivered?—I say a very large part of it cannot be delivered owing to the minimum clause being in the contract.

19,695. Then would you say now that there is a sufficient quantity which could be delivered?—A certain quantity can be delivered. I would refer you to the American evidence. I quoted you one case about Kansas, one of the largest wheat producing States of America, and this contract is applicable to America as well as to England. Mr. Wood Davis, in his evidence, said that 98 per cent. of that wheat did not grade up to No. 1, hence it could not be delivered; but that it was the value of that contract (according to which nothing under No. 1 could be tendered) which regulated the price of the remainder, viz., 98 per cent. of the wheat which graded below No. 1.

The wheat corner in 1893.

19,696. So that a buyer, if he wished, could buy up all the quantity of that wheat that could be tendered quite easily?—We know perfectly well that Cudahy bought considerably more last year than could possibly be delivered to him in the month of May; and that that was the origin of the corner.

19,697. Did that corner affect the price of other wheat which was not tenderable?—To a certain extent, undoubtedly.

19,698. In what way?—It would raise the value.

19,699. In what way?—Because, naturally, if you are a miller and you want to buy wheat, and this contract wheat, No. 1 wheat, which is held by a cornerer, is so much dearer in comparison with another class of wheat the miller says, "I am going to buy the cheapest class "of wheat, I do not buy the cornerer's wheat if it is "dearer."

19,700. According to what you told us, the dearer class of wheat you practically could not buy at all, because there was hardly any of it, and nobody could have bought much of it?—Are you talking about No. 1 wheat?

19,701. Yes?—There is a certain quantity of it, but it is infinitesimal.

19,702. Then if it is infinitesimal, how can the diversion of the millers' purchase from that class of wheat to other wheat be a very material thing?—There is no reason why he should buy No. 1 wheat. I saw, in 1883, Morris Ranger corner the whole of the Lancashire cotton trade for from three to four months. I saw the spinners shut up, and I have heard Morris Ranger say to those Lancashire spinners on the Liverpool Exchange openly, "This is the corner price, 7*d.* a "pound to the men who are short on a paper contract, "but you are a Lancashire spinner, and you shall have "the cotton at 6½*d.*" In thousands and tens of thousands of bales of cotton I saw him do that day after day. Now you can understand what a corner means. He was selling it to the consumers to get rid of it and raise cash in order to buy more futures to keep up the corner.

The Liverpool cotton corner, 1883.

19,703. He was selling it at a different price from what he was selling the other cotton?—From what he was buying futures at; the bears were all suffering.

19,704. That is a case, is it not, of the real produce going at a different price from the speculative produce?—I give you that one case to show you to what depths a cornerer will be forced when he wants to get rid of his stuff in order to make the corner; that shows what he will stoop to do.

Values regulated by option and future contracts.

19,705. That proves, does it not, that the speculative price does not regulate so much as you led us to believe the actual dealings in the real stuff?—Nothing else regulates, the price—nothing but the price of the gambling futures contract in every article of produce. There is not a single thing that regulates price except the value of futures in America and in Liverpool—whether it is wheat, cotton, sugar, silver, or anything you like.

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19,706. You have just given a case——?—I have tried to bring home a case, only one case, which has happened in the commercial world. It was a case which was notorious in the commercial world, and I am prepared to give in my evidence the names of the people who did it. I did see that man ruin the Lancashire cotton industry, and he was supported by the biggest brokers and most influential bankers in Liverpool and London.

19,707. As a matter of fact, the real cotton was sold at a different price from the speculative cotton?—It was sold, as I have tried to explain to you; why? because he absolutely had to get rid of this stuff. It broke him in the end, but it kept him financially alive for three or four months by doing such a thing as this.

19,708. Still, as a matter of fact, the real price—the price of the real stuff—was different from the price of the speculative article; they did not follow each other at that time?—Undoubtedly they did; because there was only one man who held the stuff in Liverpool.

19,709. But is it not to be supposed then that in other cases where the real price and the price of the speculative article correspond, the reason is that the speculative price follows the real price?—The speculative price never follows the real price in anything. It is the real price that is guided absolutely and solely by the speculative price.

19,710. If in such a case as I have mentioned the price of the real article is actually different from the speculative price, is there not fair reason to suppose that in other cases where the speculative market and the real market, as I call it, correspond, the correspondence is due to the speculative market following the real market, and not *vice versâ*?—Hardly ever. The principal way that the speculative market follows *pro tem.* the real market is when there is a very large demand from spinners or from millers. Then the only advance that is gained, and which I dwell upon as plainly as I can in this book ("Commercial Gambling"), in order to show the rottenness of the systems, does follow; because why? Because the importers who are short when they sell their actual stuff in large quantities to the consumers are compulsory buyers at the market price ruling that day in futures, and hence the bigger the volume of spot business the bigger the volume of compulsory buying back of futures.

Gambling in options and futures and Stock Exchange speculations compared.

19,711. Is it not the opinion of many of the expert people connected with the Stock Exchange that in that market at least the speculative price rather follows the real dealings?—I have never had a speculation, as I told you, on the Stock Exchange. I hardly know any Stock Exchange broker. I know no more personally about the Stock Exchange gambling operations than a child does. They are absolutely different from beginning to end, and therefore there is no comparison.

19,712. Coming to that point as to the difference; do you still think that the essential difference between speculation on the Stock Exchange and speculation in futures in grain is that the grain is an imported article?—Not only that, the whole thing is different.

19,713. What difference is there?—The whole basis is different.

19,714. How can you tell us that the basis is different if you do not know anything about the Stock Exchange?—I have tried to show you for one thing that there is always a heavy premium on distant futures which is always in favour of a bear instead of a bull. That is one important item. Besides in "Commercial Gambling," as I have explained to you, I have dwelt upon the difference—I think it is very clearly put there; and I now confirm it as my answer to your question.

19,715. I have read all your books, and I am bound to say that I cannot make out any difference between the dealings which you describe and Stock Exchange dealings, with which I have some familiarity?—I have no familiarity with Stock Exchange gambling.

19,716. It seems to me that you describe exactly the same things, and I want to get from you, if you can tell us, what is the difference between the two systems?—In the first place it is absolutely different and far more serious in every way. I think I have explained that in my book.

19,717. If you do not know Stock Exchange methods how can you explain it?—I have been in the commercial world and heard enough to know about it, but I have had no individual experience in it. I have talked

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to people and I have had that view of the difference confirmed by, I am told, some of the most leading men on the Stock Exchange. The greatest supporters of my views on these systems are members of the London Stock Exchange. I have been told that—if I have been told it once I have been told it by a dozen of men who have consulted Stock Exchange speculators. They have said, "Smith is perfectly right over that question of the difference between the Stock Exchange and the Produce Exchange." Personally, as I tell you, I have had no experience in gambling on the Stock Exchange, and I have never had a gambling transaction there in all my life. You see it is quite a different thing. There is only one stock of the London and North-western Railway, but there is a yearly stock growing of grain always all the year round.

19,718. What essential difference does that make when the dealing is in a definite article which can be carefully defined?—I told you the last time, and in my humble opinion I have given you evidence in this room to-day, that Germany and France are legislating against Stock Exchange gambling.

19,719. That is not an answer to my question. With reference to what you said just now about the London and North-western stock being always the same, is it not the case that the quantities available for delivery, the floating stock, as it were, continually differ from time to time?—Yes, but there are these contangos and backwardations—these carrying over. Such do not exist in produce. In the Stock Exchange, if I give a man an order, as far as I have always understood it, he can say, "I have sold you that stock," but he need not actually buy the stock; he books it to himself, does he not? There is a very interesting case that I have got here——

19,720. I do not think that bears upon my point. What I asked was, Is there not a variation, and often a very serious variation, in the quantities of floating stock in the different stocks in the market?—I presume there are variations. I made that very clear, I thought, last time.

19,721. That comes to the same thing as the variations in the quantity of grain harvested in one year compared with another and things of that kind?—Those quantities vary of course, but the thing is totally different from beginning to end.

19,722. Only you cannot tell us the difference?—I have published it in my book, I confirm that as my answer to you.

19,723. I have read your book and have not observed the difference, I cannot make out the difference?—May I read it to you again and explain?

Sales and re-sales of futures.

19,724. No, I think not. You used the phrase, for instance, that one contract to purchase is multiplied by sales and re-sales?—Yes.

19,725. Would it not be the case that the original contract to sell was also multiplied and formed the basis of a great many purchases and re-purchases, so that the one sets off the other?—You mean under the settlement system?

19,726 Yes?—Certainly, the majority are worked in under the Settlement System.

19,727. So that although it is an original purchase, if it is multiplied by sales and re-sales, that is completely set off by the original sale being multiplied by the purchase and re-purchases?—Of course every purchase must be re-sold and every man who has sold must buy back.

19,728. Then the two things are a complete set off to each other, and the tendency of the market is quite balanced by the speculative sales being set off against the speculative purchases?—Undoubtedly for every buyer, there is a seller—in every contract—no, there is a great difference, and I will tell you why. Because, if it was a bear sale—an absolutely bear sale without any actual foreign produce against it—that man would have to buy back again, but the man who sells futures against an importation of foreign produce as a hedge is not in the position of a legitimate bear, because he can, if he likes, tender the stuff, and is independent of a rise in futures, because he holds actual produce which covers him.

19,729. Then the ability to tender, the dealing in the real things has had a distinct and strong effect upon the market, is that what we have to infer?—What real things?

19,730. The man who can deliver the stuff is in a more commanding position than the man who cannot?—Undoubtedly he is in a more commanding position because in the event of a corner he has got the stuff.

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19,731. But he is not in a more commanding position than the man is who has got money to pay for the stuff on the other side?—Undoubtedly, and I am sure my evidence upon that point that I give you in the printed evidence of April 6 and in my books is overwhelming. I have supplemented one point by further evidence, and if you will allow me, I will read it. I think it is rather an important thing as I have shown all along, as far as I possibly can, that a bull cannot make money under the systems; I have given you the reasons, I have given you copies of the American evidence, which is the smartest evidence I have seen, and I have given you my own six questions and six answers which I have referred to. I do not think I have got very much evidence further if that does not convince you, except the actual fact. If you like to buy or sell, you will soon see at which you make money the first. I say in my printed memorandum of evidence, page 17, "You will notice "there are in all six questions and answers, and, "gentlemen, if you think it desirable, I will read them "now and amplify them verbally. For no one admits "more fully than I do the absolute importance of "proving the apparent conundrum, that, given an "equal number of sellers, and an equal number of "buyers, the former, in nine cases out of ten, get the "advantage of the latter." I quote you a variety of evidence in my printed evidence of April 6, backed up by the three publications which I have already written from this one point of view to show that it is impossible for any article to get up, and remain up, and if it does get up, there is a bigger panic than ever afterwards, owing to the fact that the basis of the rise was artificial and on paper, and hence rotten, and had to fall down again when the bulls unloaded, helped by the bears. However as regards these six questions and answers, I have written this out:—The following specially refers and is an addition to my answer to the third question of the series of the six, viz. How can you show that the future system would tend to keep prices lower than they otherwise would be in a year of scarcity? As already stated, the general public when speculating in futures invariably buy, say 999 out of every 1,000. The sellers of these contracts are those inside the produce exchanges. Now the speculative buyer of futures always wants an advance and is therefore a bull—he makes his profit by an advance. On the other hand, the seller wants a decline, and is necessarily a bear, he makes his profit by declines. Each side will exert all the power it possesses to move the market in the direction that will be favourable to its interest. The only question here, then, is as to which side possesses the most power or influence over the market. The buyers are individuals scattered all over the world, without organisation or communication, with no concert of action, no membership or influence in the various exchanges where the quotations originate, which rule the market and in most cases with very little capital in comparison to their operations. The sellers, the bears, on the other hand, are closely and thoroughly organised, consulting together hourly all members of the exchange where quotations originate, holding a commanding influence in those bodies where all the rules are made and committees appointed for governing the future systems, and possessing in many cases, especially in America, very large capital. It is plain therefore to see that these latter possess an overwhelming preponderance of influence over the quotation boards and the adjustment of prices.

The power of bears over bulls.

19,732. Then it comes to this that the seller, as a rule, is the stronger party inside the market operating against the public outside?—Yes, there is the blackboard; we are all inside this room; we do not care about the buyers; we are all short in this room; we are the sellers, and we make the quotations on the board.

Stock Exchange transactions.

19,733. Is that not a common case on the Stock Exchange also?—I am afraid it is also.

Effect upon prices.

19,734. Then how does it happen that on the Stock Exchange that system does not depress prices and that outside it does?—You have had serious examples enough of financial gambling. You had the Baring collapse; there was a depreciation of 200,000,000*l.* in America and Europe then; the members of the Stock Exchange were not ruined by it. Then you had the panic caused by the Anglo-Indian rupee legislation of 1893 a de-

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preciation of 72,000,000*l.* on the London Stock Exchange alone. I think those who had money invested know something of the power of the bears on the Stock Exchange when they have got anything to help them; they can save their financial necks by selling short and knocking down my property, which I consider criminal; they save their necks, and I am the loser and I am sorry to say that I speak most feelingly on the subject.

19,735. Still that is a case of a certain inflation of prices being taken out of them; is it not more so than anything else?—No, I say that it is not that, because since that financial panic which we had repeated after the Baring collapse in London on the Anglo-Indian legislation the other day prices have not recovered—they have recovered somewhat I do admit, but they have not recovered to anything like the extent to which they fell. I make a great difference—and I made a great difference in my last cross-examination—between sound securities and rotten securities. I say the action of the bears in the Stock Exchange transactions in London ought to be stopped.

19,736. I am not defending the Stock Exchange transactions; I am merely inquiring what is the particular effect of certain transactions?—There is no doubt about it, their power on the Stock Exchange is immense.

19,737. Still you cannot say, as a rule, that the system of speculation on the Stock Exchange keeps prices lower than they otherwise would be?—I should think it would do in doubtful securities. We will take now the South American securities — in fact what securities you like. If anything happens in the world to affect a certain security, to touch a certain security or to hurt it in any way. Yes, the Stock Exchange is a seller of that security at once, because they know the moment there is a sort of panic in that security the majority of people who may have bought it for a temporary investment or who get frightened will wire "Sell." Therefore they have great power.

19,738. The expert opinion rather is on the whole that even in these doubtful securities the system on the Stock Exchange keeps prices rather from fluctuating and keeps them rather above what they would otherwise be than below?—I consider in absolute sound securities it does without a doubt.

19,739. Even in doubtful securities?—In my last cross-examination I specially dwelt upon consols as an example. We have had that most solemnly proved since 1890.

19,740. You do not look at the whole experience upon the Stock Exchange and upon other speculative matters?—I condemn it exceedingly.

19,741. I am not defending it, I am merely inquiring as to this particular point, whether a system of speculation tends to keep up prices or tends to depress them and if it depresses them, how much?—I will tell you what I have seen; I have seen this in Liverpool, I have seen there great depression in the cotton market; I have seen the stock brokers round the cotton brokers like bees. They know perfectly well I am not a speculator on the Stock Exchange, and I never have been. I have said to several of them "What on earth "are all you fellows doing here"? "Doing here! "Why? You are causing tremendous depreciation in "our market; everybody on the Liverpool Exchange is "selling Stock Exchange securities to pay gambling "differences in cotton; that is what we are here for, if "you want to know. You must raise the money; if "you have not got the money you are declared to be a "defaulter." If that has happened once—I give you my experience—it has happened six times in the last 10 years. I have seen that with my own eyes. Therefore one depression of trade does re-act upon another, and if you are pressed for money for any differences or for anything else you must sell your securities on the Stock Exchange if your money is invested in that way.

19,742. That is quite true, but that hardly bears on the question that I put to you I think?—You asked me whether I think it is a cause of depressing prices on the Stock Exchange as a general rule.

Daily settlement in the grain market.

19,743. I asked you whether the system of speculation on the Stock Exchange has the same effect in depressing prices as a general rule as the system of speculation in the grain market which you have described?—That I have told you distinctly not. I have told you they are absolutely different. I consider that the speculation in the grain markets of the world being a daily settlement is absolutely worse than any other speculation, and I dwell in my printed evidence very strongly on that.

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19,744. Then is the daily settlement, the distinguishing thing?—Undoubtedly it is one. On the Stock Exchange it is a fortnightly settlement as a general rule; in cotton it is weekly. If you harass me by telegraphing every day "Remit me 50*l.*, remit me 40*l.*, remit me 100*l.*, remit me 200*l.*"

19,745. Do you not get the system of daily settlements on the New York Stock Exchange?—You can see the effect of it I should think in the last two or three years.

19,746. But the prices on the New York Stock Exchange in the same securities vary exactly as they vary on any other Stock Exchange, do they not?—I do not know anything about the New York Stock Exchange, but I should think men of the Jay Gould stamp have been a very great curse to millions of people—and there are many of that class of men there.

19,747. I think that is hardly the question?—I think I must disagree with you, if you will allow me. I consider those men by being bears have ruined millions of people by these operations.

Stock Exchange transactions. Effect on prices.

19,748. My question is not whether people are ruined by Stock Exchange and other gambling operations, but whether as a matter of fact the system of gambling tends to depress the price on the Stock Exchange or not?—In this country?

19,749. Or on any other Stock Exchange?—Undoubtedly; that is my humble opinion.

19,750. I thought you told us a little time ago that it did not?—I say not so much in sound securities as in rotten ones.

19,751. I thought you said that as a rule it did not depress prices at all?—No, I have never said such a thing; I condemn them most tremendously.

19,752. Then is the price of rotten securities on the Stock Exchange as a rule above or below what it ought to be?—I have got money invested in a variety of things as I tell you, and I have been a very heavy loser by these panics; I have felt it tremendously—nobody knows how much. It is a most unfortunate thing. Here is a man who has been a pessimist for 15 or 20 years of his life, who has never trusted his money in anybody's hands except his own in his own business?—I got very ill and had to leave business for a year—so I retired from the business and I had to invest in 1889 in a variety of securities. I invested all my capital and I was caught in the panic of 1890, and a nice sufferer I am by it. I know men that have largely sold short securities that I hold, and they have told me about it and said:—Why on earth did not you sell, Smith, too?" I said "I am not a speculator on the Stock Exchange."

19,753. If a security was rotten ——?—It was a sound one when I bought it.

19,754. If a security is rotten is not any price above zero too high a price?—The South American securities which I bought were absolutely solvent if it had not been for Barings. You must go back to the cause of all these panics. It is the curse of the Continent and the curse of London, no doubt, is this gambling which predominates over every single class of person now.

19,755. Still the prices of rubbish on the Stock Exchange are usually above what they ought to be?—It is not rubbish until you have these financial panics. I did not invest in rubbish. I invested on the very best judgment of the biggest South American merchants in Liverpool of the highest standing, and they were perfectly petrified when the panic took place six months after I invested.

19,756. They turned out to be mistaken?—They did not know the financial rottenness of Messrs. Baring Brothers, which was a disgrace to England I call it.

19,757. Have you followed the history of legislation to prevent speculation in past times?—I give you in my printed evidence of April 6 all the evidence that I can possibly get, viz., from 1216–1844; if you have read it, as I have no doubt you have.

Imports of foreign wheat and flour.

19,758. (*Sir Nigel Kingscote.*) Am I to understand from what you have told us that owing to these future notes neither you nor anybody else can tell the quantity of wheat that comes into the market or which is in the market at any specified time—I mean actually imported wheat?—You have asked me a question on which figures have been published since I was in this

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room last, and which is one of the points which I bring in for fresh evidence on the question of importations. In the printed evidence of April 6 I say on page 11:—"You will observe in the first place that I do not "agree with the popular notion that the value of "English wheat last year has fallen to 24*s.* 8*d.* under "natural causes, or as a direct consequence of foreign "competition in the shape of increased foreign impor-"tations." Since I was in this room last, Dornbusch, at the request of a large number of gentlemen interested in this question, has published the United Kingdom's wheat crops in quarters from 1881 to 1893, and also the nett imports of wheat and flour in quarters in the same years. That I have put in as additional evidence I have tendered to-day. But I think it is very important, now that you ask me that question, if you will allow me to read it to you. In 1881 the wheat crop was eight millions——

19,759. I want to confine myself to the foreign grain. I only want to know whether there is so much grain really in the market?—You mean imported into this country?

19,760. Yes?—I can give you the exact figures. In 1881 the nett imports of wheat and flour were 17,200,000 quarters; in 1882, 19,982,000 quarters; in 1883, 15,816,000 quarters; in 1884, 18,000,000 quarters; in 1885, 15,210,000 quarters; in 1886, 18,356,000 quarters; in 1887, 17,676,000 quarters; in 1888, 18,873,000 quarters; in 1889, 19,093,000 quarters; in 1890, 20,784,000 quarters; in 1891, 22,295,000 quarters; in 1892, 22,264,000 quarters; and in 1893, 21,571,000 quarters.

19,761. How are those figures obtained?—They were published by Dornbusch about three weeks ago. He is an authority.

19,762. Has that information been available for people in the corn trade at Liverpool from year to year, or has it only just come out?—I think there had been published no absolute table so perfectly prepared as regards wheat crops of the United Kingdom and the nett imports of foreign wheat and flour into this country till Dornbusch published this.

19,763. Supposing that those reports were published regularly, would they in some way regulate these future notes, or rather regulate what you might call gambling or speculation in those notes?—Now you ask me another question, and if you will allow me, as it will only take two minutes to read it, I should like to deduct certain facts from these figures which I have read to you. In 1881 and 1882 the nett imports of foreign wheat and flour, plus the wheat crop of the United Kingdom, averaged 28,000,000 quarters, and the average price was 45*s.* 2*d.* From 1883 to 1888 the average tumbled down to 26,500,000, and from 1889 to 1893 it was 29,000,000 quarters. The average price fell from 45*s.* 2*d.* in 1881 and 1882 to 34*s.* 3*d.* from 1883 to 1888, and to 31*s.* from 1889 to 1893. Now I deduct this inference from that: by the above it will be noticed that during 1881 and 1882, say prior to the invention of the systems, the total quantity of wheat and flour for the United Kingdom averaged 28,000,000 quarters, with an average price of 45*s.* 2*d.* From 1883 to 1888, say when the systems were introduced as the basis for importation, but prior to a registered Settlement House, the total quantity averaged 26,500,000 quarters, or 5 per cent. less than 1881 and 1882, while the average price shows 24 per cent. decline in comparison with those years.

The supply of wheat and flour, and prices.

19,764. Can you tell me how Dornbusch obtained his figures?—He is one of the statisticians we have to depend upon in this country for these figures. They are acknowledged, as far as they possibly can be, as correct figures.

19,765. Are those figures figures which are obtainable by the public?—I will with pleasure give you the paper they were published in, which gives full particulars. This (*handing in circular*) is the original.

19,766. Where is this published?—It is published in London.

19,767. Could this Commission get those figures?—Yes; George Dornbusch sent it to me, "With the editor's compliments," the other day, when he published it. Anybody can get it.

19,768. But you have no knowledge how he obtained the information?—No, I have no knowledge of it. I am not a wheat statistician myself.

19,769. You do not know whether anybody else could obtain the figures. They are not obtained from the grain market, are they?—He is one of the recognised authorities on statistics of the grain market. It is like the Board of Trade figures—there must be somebody whose business it is to watch these figures.

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19,770. What you have told us now is what I may call after-information, and is not available to-day or to-morrow in the market at Liverpool or anywhere else?—No doubt everybody in London and Liverpool in the trade has seen these figures.

19,771. Would they affect prices?—Prices have been going down ever since.

19,772. Then do you think the compilation of these figures has helped to do that?—No; this circular was written at the instigation of a number of gentlemen most interested in the question. Because everybody you meet says there is an enormous increase in the foreign importations. But just let me finish this, and then you will see what the absolute deduction is. From 1889 to 1893, say the period since registered Settlement Houses have been in existence combined with rampant gambling, the total quantity averaged 29,000,000 quarters, or only 3½ per cent. in excess of 1881–82, while the average price shows 31 per cent. decline in comparison with those years. Therefore, taking into consideration the yearly increasing population, the United Kingdom has had combined less home and foreign and wheat and flour to contend with from 1883 to 1893 than existed in 1881 and 1882, and yet prices show a gradual decline, resulting in one of over 40 per cent. in 1894 in comparison with 1881, and this in the face of an increase in the population in the former year in comparison with the latter of fully 3,400,000, which at six bushels per head (including seed) means an increased consumption of no less than fully 2,500,000 quarters. These figures have been published to show that there is no increasing quantity taking the increase of population into account from 1881 to 1894.

Population and consumption.

19,773. I suppose there are no means of obtaining information as to the quantity of grain or other matter which these future notes cover?—No; I think I have passed over to Mr. Giffen the published statements as far as the Liverpool Corn Exchange is concerned, but independent of that, as I explained to him, there are a large number of contracts made which are not registered and not reported; nobody knows anything about those contracts.

Amount of grain covered by futures.

19,774. There is no register?—There is no register at all.

19,775. (*Mr. Whitehead.*) I think you suggest that there should be legislation to prevent this gambling in futures and options?—I think I have dealt in "Commercial Gambling" with an Anti-Future Bill for England.

Suggested legislation.

19,776. What form should that legislation take in your opinion?—It should be on very similar principles as the American Bills. I give you the whole working of it in "Commercial Gambling."

19,777. You mean, shortly, that it should be penal to deal in futures and options?—In this book I do not go so strong as that, because I recognise that it is an absolute necessity for England to be fed by foreign wheat. Until England grows wheat again it is too serious a question to think of making it penal when we are dependent upon foreign grain.

19,778. How would you propose to stay it, short of making it penal?—I would do it very similarly as I suggest in this book. It took me a long time to work it out, and I tried, as far as I possibly could, so that injury would be done to nobody interested in the *bonâ fide* trade of the country; that everybody should be protected under the systems. I do not go so far as America does. That is to say, I would not treat the very fact of dealing in futures and options as a misdemeanour, that is sponging it out entirely. But I would prohibit it to the extent by putting such strong taxes on it as to make a man think twice before he pays a big license to deal in it. Further than that, I have never wished to stop all speculative transactions. I do not wish the "bull" to be stopped at all. The essence of commercial life, in my opinion—the basis of all commerce—is speculative action. As far as this country is concerned, I would have a law that if a man does buy a shipment of Indian wheat, if he does buy a shipment of Californian wheat, or of American red wheat, or Argentine wheat in the month of May, and

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sells against it a shipment or future for the month of September, that wheat should be tendered and go against that one contract. That would limit the number of future sales in connexion with that purchase in the first place.

19,779. That there should be no subsequent dealing, in fact?—I would not say that. I would let that contract be turned over, but I would forbid that man who did sell that original contract to turn that one operation in 100 tons of foreign wheat into 10 or 20 operations in the Liverpool future market or the London market either. I would make him tender that. I would allow that one contract to be re-sold over, because that is legitimate speculation. If you would limit it in that way the surplus crops of the world would only have one chance of being turned over, and that would stop the 10 or 20 times operation, that would stop the bear—make that penal if you like—he could not sell. I have been a bear all my life. You would stop my chance. You would stop your cornerers, your manipulators, your hundred and one men—they are called by different names—all those gambling bear-sales and such illegitimate operators would be stopped. But they are infinitesimal in number as regards the population of the world; you can count them all up in a few hundreds, or at any rate in a few thousands.

19,780. You told us that the present law is sufficient to check gambling on the Stock Exchange; would not the same law be sufficient to stop the gambling at the point to which you would limit it?—No; I have tried to show you that it is only in the last two or three cases that I have seen where the Gaming Act of 1892 has at last been partly recognised in our courts as a means of stopping it. The verdicts in all the previous cases which I have quoted—and I give two principal cases in my book, and other cases have occurred—clearly show that the law of England has no power at all over these gambling operations; the courts do not acknowledge them as coming under the gambling system and the Gaming Act of 1892.

19,781. Then you would not propose to make it penal with regard to sales for forward delivery, I take it. You would not include that?—No; I do not go as far as that, because I would not do anything in these systems which would hurt any legitimate trade. I look upon bull speculation, and speculation in the commercial world as legitimate; I want to protect legitimate traders and producers, and the bulls of these paper contracts. Therefore I would allow the options and futures to be dealt with and the re-sales of these contracts, because, do you not see, if you could insist under a law that actual wheat, and actual cotton, and actual sugar had to be tendered against every one of those contracts the speculator would virtually be dealing in actual stuff, and there is no harm in that, for in that case there would then only be one surplus to deal with.

19,782. Have you seen the last issue of the "Corn and Produce Gazette," in which it is stated that options or futures in the corn trade in London are of small account—in fact, of no account?—No, I have not; but I believe that is perfectly true.

19,783. It is perfectly true?—I believe that what I call the most important people in London, as far as I have been able to find out, are dead against these systems and operations. They are only carried on by a few.

Options and futures in the London Clearing House.

19,784. It does not apply to London then, but only to the Liverpool market?—Yes, it does apply to London people and London. I will tell you why it does apply to London. You must remember there is the London Produce Clearing House, which deals in futures of Indian wheat. There you have absolutely options and futures under the system. There is another place called the Baltic, where there is an enormous gamble done, but it is not done in options and futures, which are deliveries; it is done in shipments. I have sold myself not shipments of wheat, but I have sold myself in years gone by in one season 20,000, and 30,000, and 40,000 bales of shipment of Indian cotton, and have never had a bale on hand, but I have turned every bale of them into speculation as a bear.

19,785. In London there is no system of options and futures, but there is another system which is equally bad?—Undoubtedly, and which is applicable to Indian wheat. I can assure you that it is very hard indeed for me to get any evidence lately. I am absolutely tabooed, although I was amongst them yesterday getting what information I could. I believe in the Baltic futures are traded in, but not under the rules of the London Produce Clearing House; that is a distinct thing. Anybody can sell in the Baltic as much as ever they like of Indian wheat, although you need never ship an ounce against it. The whole thing may be turned into a speculation. I have done it myself in other produce as explained.

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19,786. Do you accept the statement in this "Corn and Produce Gazette" that options and futures are of small account—in fact, of no account in London?—I would not go so far as to say that.

19,787. What proportion does the corn trade of London bear to that of Liverpool?—It is large.

19,788. As large would it be?—No, I do not suppose it is quite as large. It deals in different classes of wheat; it is principally Indian wheat London goes in for I believe.

19,789. Do you agree with this statement, that there is no such thing as futures and options in the London market?—The Liverpool market is considerably larger as regards futures than our London market. But may I just say one thing? You must remember that with the existence of the systems in Liverpool, it does not matter if you are in London—in fact, my business for the last 20 years has been for London people. I have operated largely for London people; I had very few Liverpool clients. These systems are made use of by people residing in London; it does not matter to me whether you are in London or Birmingham, or any part of England you like, as long as those systems are in existence it does not matter where you live, a 6*d.* wire reaches you and they can operate. They are not Liverpool people that operate alone—Liverpool people are not the only ones—they are very largely used by people from the country in different places. Then again in the London Produce Clearing House, look at the way that it works. It is a small business, for example, they argue. My answer to that is, gentlemen, if they say that it is a small business done in Calcutta wheat in the London Produce Clearing House, why do they publish every morning for the sake of the world those quotations, which are the ruling quotations of Calcutta wheat, all over the world, as quoted in the London Produce Clearing House? Why not erase them altogether? What is the use of having a system in London, unless that system is used? What is it used for?

The effect on the producer by the systems.

19,790. I will only ask you one more question; I may be very ignorant, but I fail to see how dealings continuously, such as you have described in the systems of options and futures, in an article whose quantity is indefinite, and must be affected by all kinds of circumstances, such as weather, &c., can be affected in its ultimate value to the producer of it?—We regulate, combined with America, the price for the producer all over the world.

19,791. How can your system effect that?—By causing a depreciation in the values of the articles it naturally affects the farmers all over the world. If you are a farmer in America, Argentine, or Russia—anywhere you like—and I am an importer in London, I am guided not by what you want, I am guided absolutely by the price in the market value of options and futures as ruling in this country or in America.

19,792. The question of supply and demand is of no value in such a case?—Absolutely none. I will qualify that if you like. If the world gave us a famine next year prices would run up, of course; but will you allow me, as you have asked me the question, to read you what has been written by almost the largest wheat importer of England on this particular question that you have asked.

Effect of the systems on prices.

19,793. I will not trouble you further. Your last answer is quite sufficient?—Very well.

19,794. (*Mr. Clay.*) Your great contention, as I understand it, is, that gambling in options and futures has lowered the price of wheat considerably to the farmer?—Undoubtedly.

19,795. Then you have no faith in supply and demand?—No.

19,796. Wheat is coming from California just now to the south of Scotland. There is neither speculation nor options, nor one thing and another of that sort there, but the wheat sells just now at 25*s.* a quarter, because there is no more demand for it; as I say, there is no gambling in this business there. Now how do you account for that?—Gamble where?

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19,797. There is no gambling amongst the millers buying that wheat from California at 23*s.* a quarter, and options do not come in to disturb that price?—Yes it do, it regulates the price. You are talking of a miller buying?

19,798. Yes?—The miller is as well posted to-day in the question of options and futures in the wholesale markets of London and Liverpool as anybody else, and if he buys his buying price is regulated by the price of these options and futures. He does not give more money than he can buy at home at. If he can buy cheaper in the wholesale market—that is, in the cargo market, or in the home market—he buys, naturally, in the home market; he does not import for the sake of importing foreign wheat. His buying price is regulated by the buying price of the wholesale markets—by options and futures, and the seller is also regulated by them.

19,799. Does the natural law of supply and demand not regulate the price of wheat in these localities where there is neither options nor gambling?—No.

19,800. How does it happen that the millers and the merchants in the south-east of Scotland, which I am talking of now, can get the wheat at that price. They have more wheat just now on their hands than they can consume and sell, therefore they can regulate the price, can they not?—That is a local market.

19,801. No; that wheat comes from California?—Do you mean the price in Scotland in the local markets?

19,802. Yes?—That is a local market. There may be a difference of a few pence, we will say, but I am talking on the broad basis of the world; as a rule, that one market may be a bit higher than another I fully admit.

19,803. You have quoted Liverpool so often that I quote Edinburgh and Leith, two very large importing places for Californian and other kinds of wheat, they are laden with wheat. There is no options or gambling there to interfere with the price, and the price is left to the legitimate law of supply and demand?—That is simply a local market, but if you were to ask those men to-day what is the price of wheat they would say at once, "What is the price in Liverpool or London?"

19,804. It is the quantity they have to face that they can buy so cheaply—there is so much wheat forced upon them, more than they can consume?—That is a local question. As for the world's supplies, futures and options regulate the price of wheat. I think I gave you, as far as I possibly could, the statistics of the world's supply given by Wood Davis and by Beerbohm; and in the book published by the Sub-Committee of the American Senate, I was very glad to see that they confirmed me on those points, that over-production in America or over-production on behalf of the world does not account for the enormous depreciation in the values of wheat.

19,805. But these people are not buying upon your gambling process, nor are they interfered with by it?—May I ask how you know that? The sellers may be hedged by futures in America or England?

19,806. Several millers have told me: large millers in Leith and round about the east coast?—Do you know as a fact that they are not?

19,807. I know what they are paying for Californian wheat?—Yes, but how do you know that they are not? Is this wheat bought by millers?

19,808. It is bought by millers to consume, to make into flour for bread?—How do you know that they have not sold a hedge against it; how do you know that they have not sold an option of flour against it? It is enormously done in this country.

19,809. The people have told me themselves that they have bought the article and got it delivered?—Did you ask them whether they had got a hedge against it or not—either a wheat hedge or a flour hedge. That is what I want to get at.

19,810. They told me the plain true facts?—I know; as far as they bought the wheat that is quite right, and that is the basis upon which all this business is being done, but it does not follow that because a man says he is not gambling that he is not. He may save himself; he may have a hedge out, an option hedge; that is done enormously; or he may have in the Liverpool or the London market entered into a speculative transaction as a hedge against these purchases.

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19,811. I say let us be thankful that in our country we do not know these things which you say you are so well acquainted with?—I am not so certain of that, Glasgow knows a great deal about these gambling systems from my own experience.

19,812. The wheat is sold to the millers and they have got it delivered?—I am perfectly well aware that there is lots of business of a *bonâ fide* character done; but look at the losses of the men who have been buying it or importing it without a hedge the past few years. The systems have ruined the buyers. They are ignorant of the workings of them.

Supply and demand *versus* the systems.

19,813. We have understood that the supply and demand for an article make the price, but now you say it is all options?—Supply and demand have got very little to do with it, if anything at all, as I have said. If you want to read anything about supply and demand you ought to get the "Liverpool Daily Post" for the past two years and read it every day; you would find there they have been prognosticating a rise every day. Their view is based upon supply and demand. I can produce my weekly circulars, which go all over the world. I have been prognosticating a heavy fall, a continual fall, my view being based upon options and futures. One is the "Liverpool Daily Post," the other is my private circular. I say, who is right? Mind you, they have been correct in the supply point of view, both about cotton and about wheat, that is the funniest part of it.

19,813*a*. I would rather believe in Adam Smith than the "Liverpool Daily Post."

19,814. (*Mr. Lambert.*) Are both of you correct?—They in statistics. I based my views, as I have done for years, on options and futures, I have been right in prices, they have been right in statistics and wrong about prices.

Settlement of differences.

19,815. (*Mr. Gilmour.*) I want to understand clearly about the payments of these differences on futures. Do these payments take place every day; am I to understand that?—I believe so, every day; that is to say, they can call on you every day.

19,816. Whatever price is fixed at the making of the bargain these differences do not at all affect the finishing of that contract; that is to say, the price paid at the end say of a September delivery for a bargain made in July has nothing at all to do with these differences between the two times?—The price of the contract between the buyer and the seller has got nothing to do with it; the value is fixed every day by what they call a Call Committee, composed of 6 or 8 or 10 men and it is put on a blackboard and that regulates the price for the day. If it is below the price that you bought at, you pay; that goes on at every call.

19,817. Then are these calls at certain hours of the day?—Yes, at fixed hours; that is, as regards wheat; cotton is weekly; and the Stock Exchange is fortnightly as I have stated.

Bears and bulls.

19,818. At Questions 15,662-3, in answer to a question by Mr. Giffen, you say, "There is no buying "power left in this country; there is no buying power "left in America; but it is compulsory on the importer, "or bear, to sell, and under these circumstances the "price must go down. The buying power in its pre-"sent condition cannot arrest the bear from selling, "because the bear has to sell because he has bought "abroad, unless he wishes to lose a great deal of "money." That compulsion of course will be a financial one, and that affects these bears alone, does it not?—You have hit upon the very nutshell of the whole position of America and England to-day. The bull speculators in America and England have lost so much money in various articles of produce since 1890—that I can tell you from personal experience in my late firm with this speculative business—that the buying power of the bull has absolutely almost ceased to exist. On the other hand, the man who keeps on importing must sell, and in the absence of bulls or speculative buying, read the New York papers every day, and read the Liverpool papers every day, in the absence of speculative buying power the market weakens and there is a daily decline. You have hit the very point of the whole position. That has been going on and gradually getting worse and worse until it has absolutely culminated, so that the speculative business in Liverpool to-day, and in London, is absolutely dead almost. On the other hand, the other man has to sell because he has bought foreign produce for importation. Likewise the professional bear can sell too.

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19,819. But these bulls will hold for a rise?—If you had been a bull for the last five years, you would either have been a ruined man or you would have been heart-broken under the settlement system.

19,820. How is this breed of bulls kept up?—On the same principle that although men lose money on the turf, every year a man comes of age who thinks he knows more than his father, and has a plunge. Another reason is that people say, "Well, it has gone down so "low, surely it cannot go any lower." In my opinion there is no bottom price as long as these options and futures are in existence.

Imports of wheat and flour statistics.

19,821. (*Mr. Little.*) You quoted some figures from Dornbusch, but there are official figures available, are there not?—The figures I quoted to you are given by Wood Davis on the one hand, and Beerbohm and Dornbusch on the other, but I believe that I am perfectly right in saying—indeed I believe it is the fact—that Beerbohm has corrected his world's supplies figures, making the small deficiency into a small surplus as compared with the two years I gave you. But I have got in this report to the American Senate the figures for 10 years, which confirm my views practically.

19,822. Sir Nigel Kingscote asked you if there were official figures from which could be ascertained the actual imports of flour and wheat; there are official returns, are there not, quite independent of Dornbusch?—I believe there are.

19,823. I have them here in the agricultural returns for five years, and they are a continuation of a series which has been published for many years?—I dare say. I have been out of the business for so many years that I have had to work up this evidence, and get all the information I can in the best way available. Perhaps Dornbusch has taken his figures from the actual returns; I have no doubt he has, but I am not aware of it myself. [The witness subsequently wrote as follows:—I have since ascertained by letter from the editor of Dornbusch that the net imports, as given in the Appendix in his issue of 16th March, and which I have quoted in evidence, are official, and taken from the Board of Trade returns, and represent receipts in cereal years, *i.e.*, 1st September to 31st August. Likewise the gross imports for calendar years, as given in the same issue.]

19,824. Then I understood you to give in answer to Sir Nigel Kingscote figures which seem to show that the decreased price of wheat was not due to an increased supply?—Quite right.

19,825. That that decreased price was produced by a system of gambling, and not by an increase in the quantity to be sold?—Quite right.

19,826. Are you sure that those are figures which can be depended upon?—What figures?

19,827. The figures which you gave showing that there has not been an increase of the supply?—I have given you Dornbusch's figures. Do you mean an increase of the world's supplies?

19,828. Of the English supply?—The only figures I have are those which have been published by Dornbusch, and I believe they are correct.

19,829. I was rather speaking of the supply for Great Britain, not of the world's supplies?—I believe the figures which I read to Sir Nigel Kingscote just now are the only figures available. They were published on 16th March, and I believe they are taken as authentic.

Supply of wheat and flour.

19,830. I have before me a statement of the available supply from home produce, and from net imports into this country for the last four years for each quarter compiled from official returns; that statement shows an excess of supply over the estimated consumption for every year, and an accumulation of supply; of course if there was an increasing surplus year after year there would after a series of years be a very considerable increase of the supply?—Yes.

19,831. That would be against the argument that you have been using, would it not?—No, not necessarily so, taking the reduced price into consideration.

Population and consumption.

19,832. I thought you said that there had not been an increase in the supply, and that therefore the fall in price could not be due to that?—My statement was based on a comparison with the demand from the increase of population between 1881 and 1894, which I have made out is equal to fully 2,500,000 quarters, according to Sir John Lawes and other such authorities.

19,833. The estimate which I have before me takes into account the population for each year, and the estimated consumption based on the same proportion every year; do you think it is at all probable that the consumption has decreased?—That is quite possible, because we are all becoming poorer, there is no doubt about it, for we all economise. But on the other hand, there is a very large farmer, for instance, who lives near me, I had a very interesting conversation with him coming up to London the other day, and he told me that he is feeding cattle, &c. very largely now upon wheat. He is a very well-known man in the agricultural world, so that a decrease would be set off by such an increase in cattle consumption.

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19,834. That consumption would be by human beings?—That is for feeding. As far as the consumption by human people is concerned. I have never thought seriously on that point; but as you have asked me the question I could answer it off-hand that I should be afraid it is very probable that hard times are making a great difference to a great many people as regards consumption, yet low prices generally mean increased consumption and increased waste.

19,835. Do you know that Sir James Caird some years ago pointed out that amongst the labouring classes bread was much less depended upon for their sustenance than it used to be, and that they consumed more meat and more of other articles, and depended much less upon bread?—I was not aware of that.

19,836. It is a possible circumstance that the average consumption per head of wheat may decrease not only from the poverty of the people, but also owing to the substitution of other articles?—Well, I do not like to go against such an authority as you mention, but I should doubt it very considerably. But I may state that my estimated increase of population for 1881–1882, in comparison to 1893–1894, is based on the figures of such an authority as Sir John Lawes; also my estimated consumption of wheat (including seed) per head.

Imports of wheat and flour statistics.

19,837. (*Mr. Dalton.*) These figures that you have given from Dornbusch show a very large increase in the imported wheat in the last three years, as compared with the three preceding years, do they not?—Yes, they do.

19,838. Does that not tend to corroborate what Mr. Little has said as regards there being an accumulation of corn in the country?—You must import more as the home growth decreases. According to the last agricultural returns published 10 days ago, the wheat crop of the United Kingdom has decreased some 3,000,000 quarters as compared with 1891.

19,839. Take the last six years; have you got the average of the English corn and the imported corn together for the first three years of that time, and also for the last three years?—I have got it here for the last five years. Taking the years 1889 to 1893, I make the annual average of the home-growth and imports to be 29,000,000 quarters.

19,840. Have you got the figures for each year?—Yes. In 1889 the total was 28,000,000 quarters, in 1890, 30,000,000 quarters, in 1891, 32,000,000 quarters, in 1892, 29,000,000 quarters, and in 1893, 28,000,000 quarters. That is, roughly speaking, what Dornbusch gives, and the average is 29,000,000 quarters.

19,841. In 1890 and 1891 you got a very large quantity?—Yes.

19,842. What has been the average of the preceding years?—From 1883 to 1888 the average was 26,500,000 quarters, and the average of 1881 and 1882 was 28,000,000 quarters.

19,843. The average is very much higher now than it was in those preceding years, even having regard to the increase in the population?—I make the average from 1889 to 1893 to be 29,000,000 quarters, which is only 3½ per cent. in excess of the average for 1881 and 1882, while the average price shows 31 per cent. decline.

19,844. I was not assuming that the fall in price had not exceeded the amount of the additional supply. But the additional supply has been very considerable, has it not?—I consider that any man who works upon figures alone must take most seriously into consideration the enormous depreciation in value, and present price with the past.

19,845. If you have got a large surplus, that may send the price down to a very much greater extent?—

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There is no large surplus. We had a considerably larger surplus in 1881 and 1882, taking the world's supplies. I am glad to say I am confirmed most thoroughly in this subject.

The world's supplies and prices

19,846. The supply of the English and foreign corn for the last few years is considerably higher than it has been in any preceding period, is it not?—In 1891 you must remember, which is only three years ago, you had a rise in wheat from 32*s.* 3*d.* to 41*s.* 8*d.*, with absolute scarcity and famine. Therefore, when you talk about the last few years, we know that when the world was in famine we had a tremendous rise in wheat in that very year, which was only three years ago. If anybody can show me that the world has been over-supplied since that period, I challenge him to do it.

Effect of the systems upon prices.

19,847. What do you consider regulates the price of futures and options from day to day, and hour to hour?—In what country?

19,848. In Liverpool?—Are you talking of wheat?

19,849. Yes?—Principally American quotations as they come in morning and night.

19,850. And what regulates those? I understand you to say that supply and demand have nothing whatever to do with the prices?—When I say nothing, I mean that it has hardly anything to do with them.

19,851. Then what does regulate the fall and the rise from day to day and hour to hour?—The operations of the bears principally and the re-sales of the bulls and manipulations.

19,852. And there is no limit to those operations?—Absolutely none in America as regards the bears.

The fall in the price of wheat.

19,853. Then why has the price of corn not fallen lower? According to your system I understand it is to the advantage of the speculators to send it down further and further regularly, and it has been so for a very considerable number of years; why has it not gone down further than 25*s.*? What has stopped it at that point?—Surely you do not want it to go to nothing all at once?

19,854. I am only asking what does stop it; something must stop it?—I think in my evidence I gave it to you that it is down 35 per cent. in America since last May. Is that not enough in 12 months—35 per cent.

19,855. Everybody, I understand, who speculates gains by sending it down?—To every seller there is a buyer, and the buyer loses distinctly by every fall in the market.

19,856. But the others are stronger than he is?—Quite right, they are under the systems as explained.

19,857. What is the countervailing influence which prevents it going down further than it does?—Give it time and you will see it down.

19,858. There must be some influence, I suppose, which checks the fall?—The market does not simply go down without a break, though it has gone down like that since 1891; there must be fluctuations.

19,859. What stops it?—The very men who are short like to take a turn in the market, and put it up, and then unload on the rise again.

19,860. You think supply and demand have nothing whatever to do with it?—Very little. If you will give me a small crop in 1894, and the world gets bull of options and futures all over the world, and I am the only bear in the country, I shall be the only man to make money eventually.

Classes of wheat affected.

19,861. I think you say these options and futures simply concern first-class wheat. They are simply contracts relating to first-class wheat?—They affect all wheat.

19,862. They are contracts to deliver first-class wheat. Do you consider that they regulate in any fixed ratio the market price of Indian wheat, and does the market price of Indian wheat always bear the same proportion to these prices of first-class wheat, or does it vary?—It has a large influence upon it. We will take for argument's sake the difference between Indian wheat and American wheat or Russian or Californian wheat. If you are an Indian merchant engaged in the trade in Indian wheat, if you are a buyer and go to India to import into this country, the basis of your operation is largely dependent upon the price of futures and upon the tone of the future market. For instance, if the tone of the future market was strongish, we will say, and you have got a firm offer from India, and you thought the market was going to harden, you would accept that offer; but if the future market was flat and in a panic, and in a state of depression, your operation would only be based on what you would consider would be a fair figure for the purchase of Indian wheat.

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19,863. Does the price of Indian wheat always bear the same proportion?—I do not say it does always. There may be very small fluctuations.

19,864. They would be only small fluctuations?—Yes, when I say small they do vary. There is an enormous manipulation in Indian wheat. I tried to impress that on the Commission just now. But it is done in shipments; it is not done in options and futures which are deliveries. But speculation is enormous in London and in the Baltic.

Effect of wheat production on speculators.

19,865. (*Mr. Lambert.*) Does the amount of wheat produced make any difference to the speculators?—That has really been the cause of ruin since 1890.

19,866. Does it?—Yes, I am going to tell you why.

19,867. I only want to know whether in your opinion it does or does not?—Yes, ignorantly so, because men go upon what they call the shortness of the crop. You had a short American crop last year; there was a very heavy deficiency; people then bought wheat largely on the strength of that, and, therefore, the poor bull had been caught, thinking that according to the laws of supply and demand, and according to the world's statistics, prices will go up. That is why they bought, and, therefore, it has a distinct influence on the operator who is a bull. They never calculated upon the effect on prices under the option and future system.

19,868. The amount of wheat produced does make a difference to the speculators, is that your contention?—I do not quite see in what way you mean to use the term speculators. Do you mean the amount of the operations?

19,869. The amount of operations conducted in speculation on wheat?—No, I think it makes but very little difference in the amount of operations.

19,870. Supposing that one-third of the cultivated area of wheat in the world were to be thrown out of cultivation, would that make any difference in price?—There is no doubt about that.

19,871. Then the laws of supply and demand would have something to do with it in that case?—If you put such a dreadful case before the world, which means starvation, bread riots, anarchism, and famine staring us all in the face, and if you told Liverpool plainly to-morrow that that was going to be the case, I would make my fortune in six months, if I knew it was a fact.

Effect of low prices on wheat production.

19,872. Supposing the price goes lower, do you think there would be so much wheat produced?—I can only tell you that on that question I hold the most serious views that it is absolutely solely and only the reduction in the price of wheat which has ruined this country.

19,873. One moment, I only just want you to answer this question, which is a very simple question; if wheat still goes lower in price, will there be so much produced?—No, most distinctly not; it is going to ruin the world.

19,874. If there is not so much wheat produced will the speculators be able to keep down the price?—They are keeping it down now quite irrespective of the supply.

Effect of low prices on the nation.

19,875. (*Captain Owen Thomas.*) Would you say it was a national blessing or calamity that the price of wheat should be so low at the present time?—A national calamity, and it is a calamity to the world.

19,876. How can you explain that; are we not consumers as well as producers?—Really, I should have to read to you the whole of my evidence from that point of view. I have given it to you in detail in the printed volume of my evidence of April 6. The producers of this country are our largest consumers; if you ruin the producers you ruin the great bulk of the consumers. I dwell upon that as far as I possibly can in the printed statement of evidence.

Cost of production.

19,877. I do not quite understand you on that point. Is it not the general rule for prices of different produce to be based on the cost of production, and guided, to a certain extent, by the law of supply and demand? I know you have been questioned already on this matter; but taking produce generally are the prices based to a certain extent on the cost of production, and guided by the supply and demand for the article?—As regards the farmers of the world, do you mean?

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19,878. Yes, take the farmers of the world?—Most distinctly not. I consider that the farmer has very little to say in the matter; he is entirely in the hands of gamblers, they make the prices for him.

19,879. Do you know at what price per quarter the English farmer can grow wheat?—I can only answer that question by saying that I have asked it of a hundred and one people, and they all tell me about the same, from 35*s.* to 40*s.*

19,880. Do you know at what price a farmer can grow his wheat?—That all depends on whether he is in a favoured nation as regards the exchange or the depreciation of silver, or whether he has to pay in a gold currency; there are a hundred and one things that affect the question. One nation may be considerably more favoured than another in some things. My theory is this, that it is wheat competing with wheat and not wheat *versus* silver or gold, and that is really a question of the price of wheat competing with the price of wheat.

19,881. Do you know what the present price of wheat is?—Of English wheat?

Price of English wheat.

19,882. Yes, foreign and English wheat, it is pretty nearly the same in each case?—I do not know, I have not followed it for the last fortnight. I think it is 24*s.* 8*d.* or 25*s.* 6*d.* for English wheat.

19,883. Would you say that is below the cost of production?—Of the English wheat?

19,884. I am speaking of wheat generally?—Through the world?

19,885. Yes, wheat generally?—Undoubtedly throughout the world.

19,886. Below the cost of production?—Throughout the world without doubt on an average.

Wheat growing in South America.

19,887. Are you not aware that the South Americans can deliver wheat in England at 22*s.* a quarter and make a profit?—An absolute profit on wheat?

19,888. Yes, absolute profit; I can give it you in print?—An absolute profit on wheat?

18,889. Yes; they can deliver it at 22*s.* per quarter after paying insurance, freight, and everything else?—Do you say the farmer does it?

19,890. He is a farmer, I suppose, in America as everywhere else?—Excuse me. I know from what I have read that you have had a great deal of evidence on this point, but I ignore the farmer under the systems. There is not one farmer in ten thousand who imports this wheat; it is done on commission; it is done by merchants on the basis of futures. The poor farmer grows it, I admit, in Argentine and in Russia, and everywhere else; but when he grows it he must export it, because his is an exporting country. I ignore the farmer in wheat.

19,891. But do you think the American farmer would grow wheat at a loss every year and send it over here?—He is bound to grow it. He has got expenses to meet; he has got his mortgage money to pay, and he is growing it at a most serious loss for the benefit of the Jew that he owes his mortgage money to. As far as the American farmers are concerned I have absolute proof of that. What is the cause of the ruin of this country? The country going out of cultivation; that is the ruin of this country. If we had to pay 8 per cent., or 10 per cent., or 12 per cent. on our land like the foreign farmers have, somebody would rue it. In this country it is the landowner principally, not the tenant, who rues it. If the estate is mortgaged the tenant has to work and the landowner has to pay the mortgage money. In America and Germany the landlord does the work himself, there are no tenants at all; they are their own landlords, there are no farmers in the same way that we have got farmers in this country, that is to say, farmers under a landlord.

19,892. What I say is, and I firmly believe it, that you can import wheat year from South America, and the farmer would be well paid out of it, for 22*s.* a quarter?—I do not believe it.

19,893. Well, of course, there we differ?—I know it is put forward, but I ignore the farmer entirely. If you were to produce here 10 corn merchants dealing with Argentine and ask them how much wheat is brought from Argentine into this country on behalf of the farmer I know what their answer will be. The poor farmer is being absolutely ruined by it; but he has to grow the wheat and he is dependent on the United Kingdom buyers who regulate his price for it must come into this country.

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19,894. How can those farmers go on losing if they are farming on borrowed capital? I think you will find that South American and American farmers have to borrow money at 10 per cent., 12 per cent., 15 per cent, and 18 per cent.?—They cannot go on if price depreciates much more.

The loss to the farmers of the world by depreciation in wheat.

19,895. How do they go on from one year to another?—I tell you I am absolutely certain—I have given the evidence as strongly as I can—that the depreciation caused by the systems, throughout America and England, in wheat has caused farmers throughout the world a loss of about 200,000,000*l.* below its lawful price; and I stick to it. That is the principal cause of agricultural depression all over the world.

19,896. There are more growers now in South America than there were three years ago; if it is a losing game every year one would suppose that you would see less?—I am quite aware that South America has been a most favoured nation as far as only the growers of wheat are concerned, but after all a further depreciation in prices will yet kill them. They have temporarily this great appreciation in gold to help them immensely. They live in a favoured country—I admit it—they are like the Indian ryot, the Indian grower has been favoured by the depreciation of silver, and he has not felt it. But it is only a matter of time to make every nation feel it. That is why Germany and France, and the United States of America, and Russia are doing what I am asking England to do, that is, recognising the system as a curse to their country. I quite admit that their stuff is being brought into this country by merchants, based on options or futures, but I totally give evidence against anyone of those importers of grain who will say that that wheat comes on behalf of a farmer. It is his ruin. The farmer has to sell it if he grows it. I have heard your argument used in the commercial world for 15 years. It will kill all farmers if it goes on. This enormous depreciation in values is killing them by degrees, and it is a most serious thing for the world, and the world will find it out in the next three or five years, when they will have to recognise these systems. The importers bring this stuff over on the basis of these systems sold in America or England, from every part of the world, and they do not do it on the farmers' account. I will not say for certain, but I do not believe that there is hardly a single transaction in London or in Liverpool on the farmers' account—it is bought from the poor fellows over there, as they have got to sell it at the best price possible.

19,897. Take Wales; we do not grow much wheat?—I know you do not.

Effect of low wheat prices on Wales.

19,898. It is therefore very much to our advantage I would say, to have wheat at low prices?—I dwelt upon that in my printed "Statement of Evidence" of April 6. I do not care if it is Wales or any other part of the country. I might look at the counties I have lived in. I have lived in two of the most favoured counties in England for the last 35 years, one Cheshire, and the other Herefordshire. They hardly know anything about agricultural depression, although the landlord knows about it, the tenant farmer hardly knows anything about it. I have told them, "You must look at "this agricultural question from a national point of "view, because if it does not hurt you yet, being a "grazing country, do not think you are going to "escape." And do not you think that North Wales is going to escape.

Depreciation in price of cattle.

19,899. How will it affect us?—Through cattle depreciation—look how cattle have been depreciated; look how it has hurt people in the last 12 months. Herefordshire acknowledged to me last year, I know most of the people there, and they talk to me on this subject, they acknowledged that they laughed two years ago at this question which I was going to bring forward, but they do not laugh now, because they have seen how any general depression in the commodities of the world does re-act upon every other commodity. Their capital was in what—in cattle, and oxen, and sheep, and they have found it out at last.

19,900. But there is no gambling going on in cattle.—No, but if there is general depreciation in one thing it re-acts upon another; it all goes together; only the last thing which is not gambled in is gradually affected. I know North Wales as well as you do. I have been there all my life, or on the borders of it, and I know perfectly well that you are favoured. But look at

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it in the broadest sense you can, as a national question; look at it as a question for the world, and the world is looking at it in that manner which I want you to look at it in—that is, from the broadest point of view—and you will see that this constant depreciation in cereals means ruin to the world.

19,901. Wheat is going down to-day, but cattle are going up. I know that in my part of the country they are 3*l.* a head more?—Quite right; so they are in my part of the country, much dearer. It is a natural recovery from panic values caused by general depreciation, as explained in my evidence.

Imports of wheat and flour and statistics.

19,902. (*Mr. Giffen.*) With regard to these figures that you quoted from Mr. Dornbusch with reference to the imports of wheat and flour into this country, are you aware that a few years ago some change was made by the Customs in converting flour into equivalent weights of grain?—No, I was not.

19,903. If you made the conversion in the years 1881 and 1882 with which you start here, that would reduce to some extent the supply which Mr. Dornbusch shows at the beginning of the period instead of being 28,000,000 quarters on the average of those two years, it might be only a little over 27,000,000 or something of that kind?—As I told you, I got those figures from Dornbusch and they have been acknowledged as correct since he published them.

19,904. You have not compared them with the official figures which you will find published, for instance, in the Statistical Abstract for the United Kingdom at pages 78 and 79, where these earlier figures have been rectified, so as to have the conversions made upon the same basis as apparently those figures which are taken for the later years?—No, I have not. Dornbusch sent me those figures; I wrote to him asking him for the last year's figures, and I took it for granted that the figures were, as far as I could see them, substantially correct.

19,905. Perhaps the supply has increased a little more than these figures seem to show?—No man in the world knows better about statistics than you do. Note how they keep on rectifying them in the American Board's Returns.

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19,906. This is rather an important matter, is it not; you convert the flour into quarters of wheat at a certain rate at one period, and then you convert it at another rate at another period; and if you take the figures in the rough, as it were, and you do not apply the same correction at different times you would have one result, but if you did apply the same correction you would have another result?—Yes, I have no doubt you know about it. I have never heard of it before. Is it a very big thing?

19,907. I do not like to go into detail, because I have not the time, but my impression is that it would make some difference?—It would make a difference, of course, but would it be a very big thing compared with 13 or 14 years ago, taking into account the enormous increase of consumption caused by the increase of population, which I make out is fully equal to 2,500,000 quarters. Would it change the figures so enormously? Is it a question of millions, or is it not a question of only half a million to a million.

19,908. Instead of 17,200,000 quarters, which was the import in 1881, and 19,982,000 quarters, which was the import in the following year, you might have to reduce those figures by something like 5 per cent.?—As much as that?

19,909. As much as that?—It is a question that I have never heard raised.

19,910. Would that affect your impression as to there being no increase of supply from the beginning of the period you have taken up to the end of the period?—It all depends what difference it makes. You have raised a question, and of course I can only go by Dornbusch's figures; I can only give them to you as the most reliable figures I have got in hand. I have been dependent, as I have explained all along, for my statistics and figures upon what I have been able to obtain from such sources.

The witness withdrew.

Mr. S. B. L. Druce.

Mr. Samuel Benjamin Large Druce called and examined.

Mr. S. B. L. Druce.

19,911. (*Viscount Cobham.*) You are prepared to give us information on the agricultural position, I believe?—Yes.

19,911*a*. Have you been connected with farming yourself?—I have been connected with farming all my life; my father was a farmer, both my grandfathers were farmers; I was bred upon a farm; I do not farm myself, but I have a small property in Oxfordshire which I let. Since 1876 I have been Secretary to the Farmers' Club in London, and I am still their secretary. I also practise as a conveyancer and chancery barrister, having Chambers in Lincoln's Inn. From 1879 to 1882, I was one of the Assistant Commissioners on the Duke of Richmond's Commission on Agriculture, and was entrusted to report on the 15 eastern and eastern midland counties in England. I wrote three reports for, and I gave evidence twice before that Commission, to all of which I beg leave to refer.

19,912. Are you fairly well acquainted with the midland counties, and other parts of England?—Yes, I think I may say that I am fairly well acquainted with the midland and eastern counties. I do not know very much about the west, or about the North of England, but from my position as Secretary of the Farmers' Club, at least once a month I meet men from all parts of England, and I constantly hear from them how things are going on in the agricultural world. Our members come, more or less, from all parts of England; more from the home counties than from greater distances; still, we have members from the North and the West.

Land tenure, freeholds and copyholds.

19,913. What is your opinion of the influence of our present system of land tenure upon agriculture generally?—If you refer to the ownership of land, I do not think it really makes any difference, from an agricultural point of view, whether land is held on freehold or copyhold tenure, or now-a-days whether it is settled or unsettled.

19,914. It is a matter of infinitely greater importance, I suppose, whether the landowner is comparatively unencumbered?—Certainly; assuming a landlord to be unencumbered, or not very heavily encumbered I think it makes very little difference whether he is owner in fee simple, or tenant for life or tenant in tail.

19,915. You have not seen any difference in the condition of copyhold properties as compared with freeholds?—No; I made careful inquiries on that point when I was about in 1879 to 1882, and I do not think it really makes any difference. As regards copyholds, I have come across cases of dissatisfaction where the fines are arbitrary, but that was not from an agricultural point of view, but from the point of view of the ordinary purchaser of land. So far as the tenant farmer is concerned, he rarely knows if his landlord is a freeholder or copyholder, and it does not matter to him a bit.

19,916. You do not think that it operates against the improvement of land that the fines are assessed upon the improved value?—I never came across a case in which it did so operate.

Land under settlement.

19,917. Now-a-days you would say it matters very little whether the land is under settlement or not?—I do not think it matters much now. In 1882, the Settled Land Act was passed, and it came into operation as you know in 1883, and has been of very great assistance; I find it to be so, as far as the agriculturists in this country are concerned, and I think it has put the landlords in a very much better position. The fact of their being able to spend capital moneys arising under the Act in permanent improvements has been a very material benefit. Then, also, there is the ease with which leases can be granted now by tenants for life.

19,918. Are leases practically taken advantage of now?—No, I am afraid not; there are very few agricultural leases.

19,919. It is only a theoretical advantage?—Only a theoretical advantage.

19,920. You might perhaps go so far as to say that a farmer would somewhat prefer to be on a settled estate than an unsettled estate, owing to the greater certainty of his position?—Yes, I actually came across

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cases of that sort. I remember one especially; I think it was in Bedfordshire; when I asked the farmer what would be the safest form of tenancy that he could have, he replied a tenancy on a large settled estate, and he gave me as his reason that such estates are generally the best managed, and that there is a uniformity of management, and a continuity that is very rarely broken.

19,921. Continuity of ownership as well as management?—Continuity of ownership in the same family, and continuity of management. From observations and inquiries which I made and answers that I had given to me in other places, I think I am correct in saying that that is a generally received opinion, and in my opinion a true one.

19,922. It depends to some extent upon the management being good, and upon the owner being in an independent financial position?—That is the point, and it is true that in the large settled estates the management is good, because, as a rule, you get a good class of agent; you get the best class and the best man.

Owners and occupiers.

19,923. You would say that the tenant farmers on the whole have the greatest advantages in the cultivation of their land as compared with occupying owners?—I think that the tenant farmer is in a better position as a farmer, regarding him simply as a farmer, than the occupying owner of land, for the simple reason, as it seems to me, that the landlord supplies a very large portion of the capital at a very low rate of interest, and that the farmer has the opportunity of putting out his capital at a much better rate in farming operations than he would if he purchased the land.

19,924. Do you think that the farming tenant is a necessary element in our present system?—I think the farming tenant is a necessary element. I think one of the best ways in which land can be managed and farmed to advantage is our English system of having an owner and an occupier who farms, the owner not giving himself up to the management of the farm and the manager of the farm, the farmer, not owning and not being trammelled with the ownership of the land.

19,925. Do you think that the agricultural crisis would have been infinitely more severe if it had fallen entirely upon a class of occupying owners?—Yes, I think that it would have been very much more severe. I think the landlords, as a rule, taking the country through, have met their tenants, and have shared the losses with them; the loss has been shared between the two instead of falling on one.

Leases.

19,926. Do you regret that the habit of taking leases has fallen so much into desuetude?—Yes, personally, I think that a lease of such a length as to enable a man to reap the full benefit of any money that he spends on his farm is the best form of tenancy. I think it is rather a misfortune, if not a great misfortune, that leases have fallen into such desuetude as they certainly have. At the same time there is much force in the farmer's objection to be tied for so great a length of time, and one has come across cases in which men have deliberately broken the covenants in leases, hoping and expecting that the landlords would take advantage of the right of re-entry and go in. But I need hardly say that the landlords did not do so; they passed over the breach.

19,927. Do you know of any cases where leases have been broken owing to the insolvency of the tenant. I suppose such cases are within your knowledge?—Yes.

Lord Tollemache's leases.

19,928. Do you approve of one-sided leases, such as Lord Tollemache's? He, I understand, gives a lease that operates against himself, but not against the tenant?—Yes, I have come across that, but I had forgotten it for a moment. I think that is rather Quixotic.

19,929. Those leases are given both in Suffolk and in Cheshire?—Yes, I think so. I remember that I called upon the late lord on the former Commission, and, I think, he told me so.

Lord Leicester leases.

19,930. How would you provide for the closing years of a lease?—I think Lord Leicester's plan is the best of all; that is to say, his leases were for 20 years, and at the end of the sixteenth year an arrangement was made either for a continuance or during the last four years the tenant was under an obligation to bring the land back into the Norfolk four-course system.

Notice to quit.

19,931. But failing a lease what notice should you provide?—I like the two years' notice on either side; I think that gives a man time to look about, and a twelve months' notice, if you cannot get the two years, is right.

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19,932. Would you not consider two years too long in the case of a tenant in difficulties; is it possible to keep such a man for two years?—You could not if the man was in difficulties. I found cases in which the farmers themselves preferred the six months' notice to either. I was rather astonished to find that. Those were Lincolnshire farmers; they had been accustomed to their six months' notice, and they preferred being under the six months' notice to a 12 months' notice. I am talking of the time before the Agricultural Holdings Act of 1883, which, as you know, makes the 12 months necessary instead of the old six months' notice. Before that time when one put the question to them, many of the Lincolnshire men told me, "I would much prefer the six "months' notice to anything else, because it is so much "more convenient for the tenant. If I want a change, "if I want to go, it is more convenient for me than in "the case of a longer notice. It is much more con- "venient, you can get rid of the farm much quicker."

19,933. Would he be sufficiently protected under the custom of the country?—Yes. Then you must remember too it makes a great deal of difference as to the time of the year when tenancies commence. The Lincolnshire tenancies are all Lady Day. I think the 12 months' notice and a Michaelmas tenancy is the best form.

19,934. (*Mr. Little.*) The 1883 Act allows a contract in writing for a tenancy with six months' notice?—Yes, it does, the 12 months is not compulsory.

19,935. You can contract out of the Act in that respect?—Yes, certainly.

19,936. (*Viscount Cobham.*) Should you say that in any other counties than Lincolnshire it would be safe for a tenant to accept a six months' notice only, an improving tenant, for instance?—If you ask me my opinion I would never recommend a tenant to do it.

19,937. At the same time that was the feeling in Lincolnshire?—It was absolutely the feeling in Lincolnshire.

19,938. Do you know any cases in which the landowners and tenants have agreed upon a six months' notice since the 1883 Act?—No, I cannot say for certain.

19,939. (*Mr. Little.*) Probably there would be a good many continuing agreements that were made before the Act was altered?—I have no doubt there are a great many still. I cannot remember a case at this moment.

Freedom of sale and cropping.

19,940. (*Viscount Cobham.*) What restrictions on cultivation would you say were expedient as between landlord and tenant?—I am one of those who think that the fewer the restrictions placed on the cultivation of the soil and the sale of produce the better. I think it is only fair that in these days the tenant farmer should have as free a hand as possible in farming his land and in the sale of produce. In my own little case I have given a tenant of the land my father left me a lease for 21 years, and I have let him do exactly what he likes.

19,941. You have not any deterioration of the land from the wholesale selling off of the straw?—In these cases there should always be a covenant to keep the farm and leave it in good heart and condition, and I hold that with that covenant the landlord is safeguarded, that he has a legal claim that can be enforced against the tenant at any time; and that such a covenant is not a hardship upon the tenant, because he is only undertaking to do that which he ought to do to the land. But, on the other hand, so long as he keeps the land clean and in good heart and condition he may sell and grow what he likes.

19,942. That would mean a great deal more thrown upon the agent; the tenant would have to be looked after very sharply if he habitually mowed and sold straw. Would not considerable damage be done in the course of years unless he were sharply looked after?—You must have some sort of confidence between the landlord and tenant. I do not think it is right to treat a tenant as a man who means to ruin the land and to make all he can out of it and hurt his landlord. I think you must consider that the tenant when he takes the farm intends to live there, and make a living there. I am taking the case of a good tenant, a fair ordinary tenant, not a wrecker, who takes the farm to

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wreck and then leave it—I do not allude to such men, who, in my opinion, are exceptional.

19,943. Should you say, generally speaking, that the land in the parts of England you are best acquainted with is in as good heart and condition as it was before 1879?—No, it is not.

19,944. Has that been partly owing to the relaxing of restrictions upon cultivation?—No, I do not think so; I think it has been owing to the want of money on the part of the farmers.

19,945. To want of capital?—Yes, I think the restriction against the sale of straw, for instance, is too common. I think it has been very hard indeed on men who have not been able to sell straw and hay during the last 12 months. I came across one or two cases only the other day when I was down in Oxfordshire in which tenants had kept going by being able to sell hay and straw.

19,946. That is very common, is it not, of late years?—Yes; I am very glad to say it is becoming common.

19,947. The restrictions have been a dead letter in most cases?—Yes, and that is really another reason against them; they are hardly ever put into operation. I will not say hardly ever, perhaps I am wrong in that, they are seldom put into operation except by a hard-hearted or ignorant landlord. They are put in agreements but they are really taken no notice of, and the tenant acts practically in contravention of them; no notice is taken of them at all.

19,948. (*Mr. Little.*) Except on a vacancy?—Except at the end.

19,949. (*Viscount Cobham.*) In the eastern counties it is not possible to sell straw because there is no market for it?—That is what I found. When I was on the Commission I remember hearing about it; I think it was when I was staying with Mr. Little, or in his neighbourhood. The farmers were not allowed to sell their straw, and if they had been allowed to sell it, they seemed to have no market for it; yet at the same time straw which had been imported from Holland was selling in Manchester. I remember it very well; it struck me at the time as being so very peculiar. There were great quantities of straw in the Fens, and yet straw from Holland was being sold in Manchester.

Tribunal for fixing rents.

19,950. Are you of opinion that there should be an outside authority for the fixing of rents?—No, most decidedly not; I think the landlord and tenant ought to settle that matter between them, and they are quite competent to do it. I have not such a bad opinion of English farmers as to think that they are not quite capable of getting their land as cheaply as possible, and I think that landlords can very well manage their own affairs, and get as much rent as possible.

19,951. Do you think the farmers as a rule are of the same opinion as yourself on that subject?—Yes, I do. There are very few farmers that I have ever come across who want any outside authority to settle rents between landlord and tenant.

19,952. Quite apart from the landlord you think it would not benefit the tenant?—I do not think it would benefit the tenant.

19,953. He would not have lower rents than he has at present?—I do not think it would benefit him at all. The authority would have to act, I take it, according to rules, and could not take into consideration the poverty of the tenant, or anything of that sort. He would have to exercise his discretion, so to say, in a judicial manner, and I very much question whether it would tend to the benefit or advantage of the farmers at all to have such an authority.

19,954. Are rents now paid entirely in cash in the eastern counties?—Yes, I think so.

19,955. Are there no cases of personal services?—There are a few; I have come across a few cases in Norfolk and elsewhere where the old-fashioned payments in services to be rendered to the landlord are still kept up, but on the whole, these are dying out.

The Agricultural Holdings Act. Claims and counter-claims.

19,956. In what direction do you think the Agricultural Holdings Act might well be amended?—I think the first point requiring amendment is the length of notice of claim. Section 7 of the Act reads, "A tenant claiming compensation under this Act "shall, two months at least before the determina- "t[illegible] of the tenancy, give notice in writing to "the landlord of his intention to make such "claim" then. "where a tenant gives such notice, "the landlord may, before the determination of the "tenancy, or within 14 days thereafter, give a counter- "notice in writing to the tenant of his intention to "make a claim in respect of any waste, any breach of "covenant, or other agreement." According to my experience that has worked very badly, because it gives an opportunity to the landlord to put in a counter-claim of a greater amount than the claim that the tenant has made.

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19,957. Has the tenant to state the amount of the claim?—The section proceeds:—"Every such notice and counter-notice shall state, as far as "reasonably may be, the particulars and amount "of the intended claim." As a matter of fact, the amount always is stated, at least in every claim that I have seen. It gives an opportunity to the landlord of giving a counter-notice of greater amount than the amount included in the tenant's notice. I think I am right in saying that that operates against tenants claiming under the Act at all, they are rather frightened; they say, "It is all very well for me "to give notice, and make this claim for this 100*l.* that "I think I am entitled to for the consumption of cake, "or what not, but I may have a claim made against "me for not having cropped this field quite correctly, "in accordance with the terms of my agreement, or "what not, and that may run up to a couple of hundred "pounds." I think it has rather operated in that way and so prevented the Act being of as much use as it might otherwise have been.

19,958. How would you correct that evil?—I think it might be corrected by making both the claims—I would not call one or the other the counter-claim; I would call them both claims—at the same time; let the tenant make his claim on the landlord, and let the landlord make his claim on the tenant contemporaneously within a certain time, say 14 days, or I think the Chamber of Agriculture has suggested 28 days, before the determination of the tenancy. Whether it is 28 days, or whether it is 14, it should be some reasonable time, but both should be made within the same time. Then, of course, you must give the landlord an opportunity of amendment, as regards dilapidations, which he can only really get at after the removal of the tenant.

19,959. Damage may be done, for instance, in removal?—Yes, you must provide for that, but I think it is desirable that the notices on both sides should be given contemporaneously.

19,960. Would not that have this effect, that the landowner in most cases would make a claim in order to protect himself, whereas at present he can only make a counter-claim in case a claim is made? Would not there be many more landlords' claims under that system?—I do not know; I do not think there would be.

19,961. Do you think it would increase the number of tenants' claims?—I think it would increase the number of tenants' claims. I think it would do away with that fear there is on the part of the tenants now.

19,962. But then, unless the landlord lodged a claim on the same day, he would be precluded from counter-claiming again at any subsequent period?—Of course you might have no notice of claim at all; it might be done in that way; you might have no previous notice on either side, but at the determination of the tenancy you might have the claims made.

19,963. Do you think that many tenants have been precluded from claiming from an unfounded fear of having a counter-claim?—I do not like in giving evidence before a public Commission to put matters too strongly. I cannot say that I could put my finger on cases in which I have known that to happen. I cannot honestly say so, but from what I have heard in talking to men generally, that is the opinion that I have formed. If you were to ask me to give you specific instances where it happened, I am bound to say I could not; but that is the impression I have formed in talking with farmers. I do not put it any higher than that; I cannot.

Procedure under the Act.

19,964. Do you consider that the procedure is troublesome and expensive?—I am afraid it is. I am afraid, on the other hand, that a good many people who talk about it, do not quite understand the procedure. If people look at the procedure under the Act, they will see that it may be of the simplest character,—absolutely as simple as possible. "The landlord and tenant may "agree on the amount, and mode, and time of pay- "ment of compensation to be paid under the Act."

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They need not have a valuer at all, the landlord and tenant may meet and settle it together across the table. Nothing could be simpler than that. If they cannot do this the proceedings again may be very simple. "If the parties concur there may be a referee "appointed by them jointly." Nothing can be more simple than that. If two men cannot agree on certain differences between them, they may say, "We refer the difference to A. B.;" that is simple enough. But those simple cases do not happen often, and those are not the cases that generally arise under the Act. The cases under the Act are cases not so simple, but cases where the procedure has to be a referee on each side, and an umpire, and that undoubtedly means expense and time. It would, I think, be a very good thing if that procedure could be simplified, shortened, and made less expensive. But I am free to confess that when we have got to that stage, it is very difficult to suggest any plan by which it can be done. I have often heard farmers say, "We used to do the same thing much "more simply in the old-fashioned valuations, between "the incoming tenant and the outgoing tenant—"one man was chosen, and he came and looked "at the farm, and it was all done in the course of "half a day. But now there are adjournments and "sittings and witnesses, and so on; so that it takes "a very long time." But then it must be considered in answer to that, that the cases under the Act are not of the simplicity that an old-fashioned valuation between an incoming and an outgoing tenant was; so that I have great difficulty in suggesting how the procedure can be simplified. One point I would like to put before the Commission is, with regard to the umpire. My idea is, that you ought to make the umpire as strong a man as possible. Section 10 of the Act enacts that "If either party on appointing a referee "requires by notice in writing to the other that the um-"pire shall be appointed by the Land Commissioners," (that is the Board of Agriculture now) "then the umpire shall be so appointed." I think that ought to be made compulsory, that is to say, that the umpire in these cases ought to be a man who has the imprimatur of his capacity stamped on him, so to say, by the Board of Agriculture. I would suggest that there should be some certain number, a dozen more or less of men of approved capacity suggested or nominated by county councils in every county, and that they should be approved by the Board of Agriculture, and that every reference under the Agricultural Holdings Act should be to one of those men. I think in that way you would get as strong a man as possible, and you would do away with anything like a desire for an appeal from him. I would only have the appeal on matters of law.

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19,965. You think that many of the existing arbitrators are of an unsatisfactory description?—I think they are; I do not think they are quite as good men as they ought to be.

19,966. And that that encourages appeals from their decisions?—I rather think it does. I think the stronger you make the arbitrator or umpire in the first instance the better.

The witness withdrew.

Adjourned till to-morrow at 12 o'clock.

Thirty-seventh Day.

Friday, 11th May 1894.

PRESENT:

THE RIGHT HON. GEORGE JOHN SHAW-LEFEVRE, M.P., IN THE CHAIR.

Viscount COBHAM.
The Right Hon. BARON RENDEL.
Sir ROBERT NIGEL FITZHARDINGE KINGSCOTE, K.C.B.
ROBERT GIFFEN, Esq., C.B.
CHARLES ISAAC ELTON, Esq., Q.C.
Captain OWEN THOMAS.
FRANCIS ALLSTON CHANNING, Esq., M.P.
JOHN CLAY, Esq.
CORNELIUS NEALE DALTON, Esq., C.B.
ROBERT LACEY EVERETT, Esq., M.P.
JOHN GILMOUR, Esq.
GEORGE LAMBERT, Esq., M.P.
WILLIAM CUTLACK LITTLE, Esq.
WATSON HUME LONG, Esq., M.P.
CHARLES WHITEHEAD, Esq., F.L.S.

HERBERT LYON, Esq., *Secretary.*
R. F. CRAWFORD, Esq. } *Assistant Secretaries.*
FREEMAN THOMAS, Esq. }

Mr. S. B. L. Druce. 11 May 1894. The Agricultural Holdings Act. Official referees.

Mr. SAMUEL BENJAMIN L. DRUCE recalled, further examined.

19,967. (*Viscount Cobham.*) Will you continue your evidence with regard to the procedure under the Agricultural Holdings Act?—I was saying yesterday that I think the great point in proceedings under the Act is that the gentleman who determines the matter in the first instance, whether you call him a valuer or a referee or arbitrator, or whether he be an umpire, should be as strong a man as possible, and I would have no appeals from him at all.

19,968. You would have one man from the first?—Yes; as I was saying yesterday the principle should be simplified as much as possible. If it were possible I would have a single referee or valuer, who should be, as I suggested, a gentleman having the imprimatur of the Board of Agriculture; some number of whom, I do not limit myself to any special number, but some few should be nominated for each county. Then, having such a strong man as that in the first instance, you really, it seems to me, want no appeal from him at all, except on matters of law, and as regards matters of law I think that there should be a right of appeal.

19,969. Even when the sum in question is a trifling amount?—Questions of law arise on small matters, perhaps even more difficult questions on small than on large ones, and I think it would be rather unfair to limit appeals as to matters of law by the amount awarded; although of course I recognise that it makes it perhaps rather hard on a man that he should be subject to an appeal where the amount awarded is small. Still I think that justice requires that there should be appeals in every case, but only on matters of law.

Mr. S. B. L. Druce. 11 May 1894. Right of appeal.

19,970. (*Chairman.*) At present when the two parties choose arbitrators, and they choose an umpire, is not the appeal confined to questions of law?—Section 23 of the Act applies to appeals: "Where the sum claimed "for compensation exceeds one hundred pounds, "either party may, within seven days after deli-"very of the award, appeal against it to the judge "of the county court on all or any of the following "grounds:—(1) that the award is valid; (2) that the "award proceeds wholly or in part upon an improper "application of or upon the omission properly to apply

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"the special provisions of sections 3, 4, or 5 of "this Act; (3) that compensation has been awarded "for improvements, acts, or things, breaches of "covenants or agreements, or for committing or "permitting waste, in respect of which the party "claiming was not entitled to compensation; (4) that "compensation has not been awarded for improve-"ments, acts, or things, breaches of covenant or "agreement, or for committing or permitting waste, "in respect of which the party claiming was entitled "to compensation."

19,971. Do you know whether there have been many appeals under that Act?—I know that there have been several, and in some I have been personally concerned, not on the appeal, but as regards the award. The section goes on: "The decision of the judge of the "county court on appeal shall be final, save that the "judge shall, at the request of either party, state a "special case on a question of law for the judgment of "the High Court," and the decision of the High Court shall be final.

19,972. So that there may be on questions of law two appeals: an appeal to the county court and further to the Supreme Court?—Yes, and there have been. I can give you references to cases if you wish them.

19,973. (*Mr. Elton.*) And the Appeal Court makes the third appeal?—The Appeal Court makes the third appeal. I do not know a case that has been taken to the Lords as yet.

19,974. There is one in the Appeal Court now?—There are two or three in the Appeal Court.

19,975. (*Chairman.*) I thought, as you read it out, that the judgment of the High Court was to be final?—So it says, but notwithstanding that, there have been appeals. They are brought about in this way, you commence proceedings against the county court judge to compel him by mandamus to hear the case; or by prohibition to prohibit further proceedings on an order that he has made.

19,976. Therefore it is not exactly an appeal from his decision as to compensation, but a proceeding against him for neglect of duty?—In a way that is so, but the result is the same. The matter is brought before the Court of Appeal and is determined upon the merits there. That was so in Paul's case, under section 7 of the Act. The question there was when the determination of the tenancy took place. The case is reported in the 24th Vol. of the Queen's Bench Division of the Law Reports.

Paul's case.

19,977. How did that arise?—The question at issue was whether the notice of claim under the Act was good, the tenant had given up a part of the farm—the main part—on old Michaelmas day, but had, according to the custom of Dorsetshire—it was in Dorsetshire that the case arose—continued in the occupation of certain parts of it till the following February, and his notice of claim was given two months before the last date. The question accordingly resolved itself into this, was the tenancy determined within the meaning of the Act on old Michaelmas day or in February.

19,978. How was it the matter went before the Court of Appeal; was that originally by way of mandamus to the county court judge?—Yes, or by prohibition.

19,979. Have you got a reference to the case?—I did not bring my Law Reports down; I can give you the reference, 24 Queen's Bench Division, page 247.

19,980. Was it a mandamus to the county court judge to hear the case?—It was either a mandamus or a prohibition: I forget which.

Farquharson *v.* Morgan.

19,981. (*Mr. Elton.*) There is another one, the case of Farquharson?—That is quite a recent case.

19,982. (*Chairman.*) How did that arise?—Farquharson *v.* Morgan is the case to which Mr. Elton alludes; it is reported in the Law Reports for this year, 1 Queen's Bench Division, page 552. That arose in this way: at the end of a tenancy a valuation was made of acts of husbandry and various other matters not within the Act, and there was also a reference under the Act; and one award was made in respect of both. Now, under section 24 of the Act an award made under it may be enforced by "order made by the judge of "the county court as money ordered by a county "court under its ordinary jurisdiction to be paid, is "recoverable." The tenant applied to the county court for an order, not only for the payment of the compensation that had been awarded to him under the Act, but also for the compensation that had been otherwise awarded to him.

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19,983. (*Viscount Cobham.*) By the same valuer?—By same valuer and at the same time.

19,984. Under the same proceedings?—Not the same proceedings.

19,985. Separate proceedings?—The same "proceeding" in a non-technical sense—a separate "proceeding" in a technical sense. The application to the county court was for an order for payment of the whole amount. "No," said the other side, "the county court "judge can only give you an order for payment of what "is payable under this Act. He has no authority to "make an order for payment of the rest."

19,986. If he had separated the amounts he would have been right?—If he had separated the amounts and made an order for payment of what had been awarded under the Act he would have been right, yes, but he did not. He made an order for payment of the whole amount. And then there was an application for a prohibition against him for exceeding, in point of fact, his judicial functions; and that was brought in the Queen's Bench Division and carried from there to the Court of Appeal.

Awards payable under the Act, and under the custom of the country.

19,987. Do you think that is an anomaly and a grievance that ought to be corrected?—I think that it is an anomaly and a grievance that ought to be corrected. The question has often been put to me whether a valuer or an umpire determining the claims payable on the determination of the tenancy could include in one award all those matters and things for which compensation is payable under the Act, and also all the matters and things which are commonly payable under the custom of the country, and I have always advised that two different awards should be made, and now the question has been tried out. As a matter of convenience, and in fairness, it is only right, in my opinion, that the Act should be amended in this respect, so that the whole payments payable on the determination of a tenancy may be included in one award, and enforceable as one sum.

Tribunal of appeal.

19,988. Do you think that the county court judge, with assessors, would form a good tribunal of first instance?—No, I do not. Personally I do not think that the county court judges are at all the tribunal for these matters. I quite recognise the great convenience and facilities for approaching them, but I think myself that it is much better in the first instance, not to have a lawyer in these matters. I think that the matter should be left wholly to the valuer—call him by what name you will—but to the gentleman, whom I say should be a strong man, and that the court should only be invoked if he has gone wrong in matters of law. He can always be advised; I have myself sat as legal assessor to an umpire acting under this Act.

"Notice," sect. 33.

19,989. Have you any other cases of appeal which you wish to direct our attention to? I think there has been a case or two about the construction of the word "month" with regard to notice?—These cases refer to notice under a different section and not with regard to compensation. They arose under section 33.

19,990. Do you think that the section should be amended so as to clear up the law on that point?—No, I do not think so. I think the decisions are clear enough.

19,991. I do not know whether it is worth going into if you have not a recommendation on the point?—The words of the present Act are very clear: "Where a "half-year's notice, expiring with the year of tenancy, "is by law necessary," that has been held to be by law, that is by operation of law and not where the notice is under contract.

19,992. Before the decision there was considerable doubt, and there have been hard cases, have there not?—Some rather hard cases to the layman's mind certainly, the decisions being rather unexpected. The most recent case is Barlow *versus* Teale, reported in the Law Reports, 15 Queen's Bench Division, page 501.

19,993. The law having now been made clear nothing more need be done?—I do not think there is any necessity for amending that.

Time for making awards.

19,994. Under the compensation clause have you any other cases to refer to?—Assuming that the procedure of two referees and an umpire is continued I think it might well be that the time within which they must act should be shortened. I have heard a great many complaints of the time that is taken in making these

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valuations and awards, and perhaps some of the times might be shortened; for instance, section 18 enacts that "the umpire shall make his award ready for deliv- "ery within 28 days after notice in writing given to "him by either party or referee of the reference to him "or within such extended time (if any) as the regis- "trar of the county court from time to time appoints "on the application of the umpire or of either party." Well, complaints have been made that those 28 days might be shortened, or at all events that the time should not be extended because, as a matter of fact I believe, the time is always extended as a matter of course.

19,995. It is made to suit the convenience generally of the referees or arbitrators?—Entirely. There is not much in that. You must study the convenience of these men. You have to consider that the bulk of these references come on all at once, and that a man to do his duty and to make a proper award must have time so that there is a good deal to be said on both sides; but I thought it right to mention the point to the Commission, because I have heard complaints made about it on several occasions by various farmers.

Remuneration of valuers.

19,996. The valuers you wish appointed would not be salaried officials?—No, but I think the scale of charges ought to be fixed by the Board of Agriculture.

19,997. Not their present scale? Do you know the present scale of remuneration for valuers?—I do not.

19,998. It is three guineas a day and expenses and something extra for report. Do you think you would get men to do the work for that?—I am afraid you would not quite get the tip-top men to do it for that, but under ordinary circumstances that is quite sufficient.

19,999. But necessarily they would be more or less busy men, and they would frequently want an extension of time?—They do.

Appointment of umpire.

20,000-1. Have you referred to sub-section 1 of section 10 yet?—I think I called attention to that yesterday. The section runs: "Provided that where two referees are "appointed an umpire may be appointed as follows:— "(1) If either party on appointing a referee requires, "by notice in writing to the other, that the umpire "shall be appointed by the Land Commissioners for "England, then the umpire, and any successor to him, "shall be appointed on the application of either party "by those Commissioners"—that is, of course, the Board of Agriculture now. "(2) In every other case, "if either party on appointing a referee, requires, by "notice in writing to the other, that the umpire shall "be appointed by the county court then unless the "other party dissents by notice in writing therefrom, "the umpire and any successor to him shall on the "application of either party be so appointed, and in "case of such dissent the umpire, and any successor to "him, shall be appointed on the application of either "party by the Land Commissioners for England"—now the Board of Agriculture. I think that section is very little known. I have heard so many complaints as regards the class of people who are referees or umpires, that I think that farmers generally do not really know that the Act does provide that either party may by notice in writing require the umpire at the present time to be appointed by the Board of Agriculture.

20,002. There have not been a very large number of cases under the section?—Very few. I think the section is very little known. When I was in this room the other day I heard a gentleman who was being examined give his evidence as if that section was not in the Act at all; and from what people have told me and what I have heard in other cases the powers of that section are very little known.

20,003. But you would modify that section in conformity with the suggestion you make as to the appointment of one umpire selected in the first instance?—I make the reference to a strong man in the first instance.

20,004. Appointed by the county council or his name only submitted by the county council?—That is all; no further than that the name is submitted by the county council and approved by the Board of Agriculture. I go no further than that. Many of these references, in fact the bulk of them when the referees are appointed by both parties, if the matter is at all a difficult one, they always appoint an umpire. What then becomes of the referees? He simply becomes a witness for the person who employs him or his advocate or both.

20,005. (*Chairman.*) What amounts to is that three persons are doing the work of one?—Certainly.

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20,006. And there are two arbitrators and an umpire, and the referees have nothing to do?—The referees have nothing to do—they are simply witnesses for the parties who appoint them, or advocates for them.

20,007. Then the parties have to pay the expenses of all three?—Certainly.

Land agent as valuers.

20,008. (*Viscount Cobham.*) You know the existence of the class of valuers that may be called farmers' valuers?—Yes, I do.

20,009. Are there many competent men among them?—It is rather a difficult question to answer.

20,010. There are some?—Some, undoubtedly.

20,011. What I was pointing to was this, that the county council might only select men of large practice and high reputation and the tenant farmers might think that their interests were to some extent neglected in the nomination?—I do not think so, because I think county councils, at least I hope so, would select men who were rather valuers than land agents. I think that much of the dissatisfaction with the Act has arisen from the fact that gentlemen who are land agents, and therefore necessarily cannot help themselves from being on the side of the landlords, are umpires and referees and valuers; I think half our troubles arise from that. The farmers think that is not a fair tribunal.

20,012. There are not many well-known referees who are not at the same time land agents?—You can pick out, so far as I can call to mind at this moment, at least two or three in every county who are well known, who are better known as valuers than as land agents.

20,013. They are generally auctioneers?—Very often.

20,014. And they might be men who might be fairly entrusted with the interests of the farmers?—I think so. I had better not mention names but names occur to me—a number of them.

Extension of section 34.

20,015. Have you anything else to say on the Agricultural Holdings Act?—I think section 34 requires extension. That section permits the tenant to remove any engine, machinery, fencing, or other fixture, or any building erected by himself for which he is not under the Act or otherwise entitled to compensation. I think that the section might be well extended to glass-houses and forcing pits, and such like things that are put up by market gardeners for the purposes of their business.

20,016. Are they generally worth removing?—In many instances, yes, because of the change in the method of agriculture, especially near large towns. There was a case not long ago before Mr. Justice Kekewich (Meux *v.* Cobley, Law Reports, 1892, 2. Chancery, p. 253), in which a tenant had taken a farm on the borders of Hertfordshire, and converted a good part of the arable land into a market garden, and covered fields with glass under which he grew tomatoes and other hot-house produce for the London markets. I have heard of many other cases in which men are doing that class of thing at the present time, and I think, having regard to the change that has taken place in agricultural production, and to the system of farming that is carried on near large towns, that the section might well be amended in this direction. In the case I have just cited the landlord brought an action to stop the tenant from converting the farm into a market garden, but the tenant won.

20,017. At present do you say that glass-houses would not come under this section at all?—I do not think they would—I am not quite sure. Mr. Justice Kekewich at the end of his judgment intimated that they were improvements within the Act, but gave no decision upon that point.

20,018. Why did the landowner try to prevent the erection of glass-houses?—There were a good many other circumstances in the case I think—they rather interfered with his privacy, and so on. You are probably aware that Sir Edmund Lechmere, Mr. Jesse Collings, Sir Frederick Dixon Hartland, Sir Algernon Borthwick, and Sir Richard Temple last year introduced into the House of Commons a Bill, and I think it has been re-introduced this year, which extends this Section 34, to every conservatory, forcing house, forcing pit, or any other erection or building put up or constructed or affixed by a tenant for the purpose of his business as a market gardener upon or to a holding cultivated wholly or partly as a market garden.

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Section 54.

20,019. What do you say as to section 54?—If I may humbly say so Section 54 is very muddlingly worded; and whether it is sufficient to extend the Act to market gardens I do not know—I think it does, but I think it might well be made clearer, it runs thus: "Nothing in this Act shall apply to a holding that is "not wholly agricultural or wholly pastoral, or in "part agricultural, and as to the residue pastoral, or "in whole or in part cultivated as a market garden." I think those words are sufficient to extend the Act to market gardens, but you will see it is not very clear. I read it in this way: "Nothing in this Act shall apply "to a holding that is not," and then "either" introduces the first set of circumstances, while the second is introduced by the "or" before the words "in part," and the third by the word "or" before the words "in whole" so that we may read: "Nothing in this Act "shall apply to a holding that is not in whole or in part "cultivated as a market garden." Some people read it: "Nothing in this Act shall apply to a holding that "is not either wholly agricultural or wholly pastoral, "or in part agricultural, and as to the residue pastoral "or in whole or in part market garden," placing the last disjunctive after agricultural.

20,020. (*Mr. Little.*) It is the remainder of the clause that makes the difficulty, is it not? The first was inclusive and the second exclusive?—As I say it is a very muddling clause, I think it might well be made clearer.

Limit of area.

20,021. (*Viscount Cobham.*) There is a minimum area fixed by the Act, is there not?—No, that was so in the 1875 Act. The 58th section of the 1875 Act says: "Nothing in this Act shall apply to a holding that is "not either wholly agricultural or wholly pastoral, or "in part agricultural and as to the residue pastoral, "or that is of less extent than two acres." There is no limit as to area in the 1883 Act.

Consent of landlord under section 56.

20,022. Then in section 56, you recommend some change in that?—I do not think you want the consent of the landlord there. That section 56 says: "Where an "incoming tenant has, with the consent in writing of "his landlord, paid to an outgoing tenant any "compensation payable under or in pursuance of this "Act in respect of the whole or part of any improve-"ment, such incoming tenant shall be entitled on "quitting the holding to claim compensation in "respect of such improvement or part in like manner, "if at all, as the outgoing tenant would have been "entitled if he had remained tenant of the holding "and quitted the holding at the time at which the "incoming tenant quits the same." I do not think the consent in writing of the landlord is necessary there, and also I should like to extend the section to payments made by an incoming tenant to an outgoing tenant for fixtures or buildings under section 34.

20,023. (*Captain Owen Thomas.*) Who is to decide the amount of compensation between the old tenant and the incoming tenant?—It is the amount awarded under the Act. It is only compensation payable under or in pursuance of this Act.

Non-scheduling improvements.

20,024. (*Viscount Cobham.*) You say that dilapidations and deteriorations should be scheduled as well as improvements?—My strong opinion is that we do not want any schedules at all. I do not know whether I am in order in referring to my report on the Duke of Richmond's Commission where I went very fully into that question.

20,025. You can read any material passages?—It is a report to the Duke of Richmond's Commission on Agriculture made by myself C.—3375, Part II., 1882; I wrote this you will remember before the 1883 Act was passed. I say:—"I think it would be better that the "improvements should not be ennumerated and that "the time within which they should be considered as "unexhausted should not be prescribed"—that has been done by the 1883 Act—"for although the lists of "improvements contained in the Act (1875) are very "comprehensive yet it is possible they do not exhaust "all the improvements that may be effected on a farm, "for instance, the grubbing up a hedge row is not "included in any of the three clauses contained in the "Act, but it may be and often is a very great improve-"ment;" and then I go on about the time which does not apply now. "For all these reasons I would suggest "that in any fresh legislation on this subject lists of "improvements should not be specified and that no "time should be prescribed within which any improve-"ment should be considered to remain unexhausted. "In my opinion the security for which the farmers "ask should be given by a very short Act of Parlia-"ment which should enact (in effect) that in any con-"tract of farm tenancy there should be implied, on the "one hand, agreements by the landlord to compensate "the tenant for (1) any money laid out by him (the "tenant) upon the farme whereby its letting value as "a farm is increased; and (2) for unconsumed hay and "straw and manure and for growing crops left on the "farm at the expiration of the tenancy, and for all acts "of husbandry or tillages performed by the tenant in "the proper course of husbandry since the taking of the "last crop; and on the other hand, agreements by the "tenant to keep the farm clean and to farm it properly. "If on consideration it should be found that the land-"lord has not by law a right to set off against any "moneys payable by him to the tenant under the above-"mentioned agreements, or otherwise under his con-"tract with the tenant, any sums payable to him by "the tenant for rent, damages for breach of contract "and all other sums (if any) payable by the tenant "under the same contract, such right should be given "to him. But it appears to me as soon as the sums "payable by either party to the other are ascertained "the right of setting off attaches;" and then I refer to the case of Stafford *v.* Gardner, which is reported in the Law Reports, 7 Common Pleas, Rule 242. "In "this way it appears to me that the tenant would be "compensated for the whole of his interest in his im-"provements and for the whole of his interest in his "tenancy, for he would be entitled not merely to be "recouped the money which he had laid out or part of "it, but to be paid for his competency, for his skill, "and for his special knowledge which had enabled him "to effect the improvements in the way best calculated "to increase the lettable value of the farm." And I adhere to that now.

20,026. How can a valuer ascertain the increased value of the farm without something in the nature of a schedule at the beginning and termination of the tenancy?—You must have a valuation or report at the beginning, but you need not schedule the improvements, you must have a statement when a man comes in as to what state the farm is in, but that is a different thing from having improvements scheduled.

Scheduling the condition of farms.

20,027. What has been urged by several witnesses is, that there should be a schedule, a detailed schedule, of the condition of the farm in every respect at the beginning and at the termination of the tenancy?—I entirely advocate that.

20,028. You recommend that; you call that a statement?—Yes.

20,029. You keep it distinct from a schedule of improvements?—Yes, I go on to say that in this report; or rather, I think it is in my evidence when I was cross-examined on this point for a long time.

20,030. You did not see any difficulty about different men going over the farm, which would be necessarily the case, very frequently?—No. The statement or report should be in writing of course.

20,031. But of course, "condition" is a somewhat uncertain and vague term; it is difficult to describe?—It is difficult to describe, but to a practical man it is visibly patent.

20,032. To the same man, of course, it would be?—Of course, every man has not the same ideas; but still, I think there would not be much difference of opinion amongst practical men as to whether a farm was in good condition, or not.

20,033. And you think it would be workable?—I think it would be workable. I have read that such a system is in actual operation at the present time in the north of Italy.

20,034. Is that on the estates where the "Metayer" system is in operation?—No, I think not.

The schedules under the Act.

20,035. But if you have schedules, do you know of any direction in which they could be improved?—I agree with the Chamber of Agriculture Report that if you schedule improvements you should also schedule dilapidations or deteriorations. But when you have the schedules, what practical use are they, when you have a general item, such as the Central Chamber of Agriculture proposes in the following words: "Any "other improvement increasing the value of the hold-"ing, as an agricultural holding, and not specifically "mentioned in this schedule for which the tenant is "not otherwise compensated;" if you have a sweeping item of that sort—an omnibus item so to say—it seems

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to me that you do not want the specific ones. And so with regard to the compensation to the landlord for dilapidations, item 11 runs "Other dilapidations and "deteriorations, or decreased fertility of the holding, "caused by the act or neglect of the tenant, which "detract from the letting value of the holding." What do you want with an omnibus clause like that? If you have an omnibus clause, why should you have the specific ones? I do not see the necessity for the specific ones with a sweeping omnibus clause at the end of that sort. My plan seems a preferable one.

20,036. Should you extend the list of improvements on the schedule?—Yes, I should like to see one or two alterations; Number 3 in Part 1—Laying down of permanent pasture; Number 4—Making and planting of osier beds; Number 9—Making fences; and Number 6—Making gardens, should be transferred to Part 3; that is, should be included amongst improvements to which consent is not necessary; and I also think that as regards market gardens, planting of orchards, or fruit bushes, should be removed from Part 1, and with planting of standard fruit trees, planting of fruit bushes, planting of strawberries, and planting of asparagus, and such like crops, be included in Part 3. Then while on the schedule I think that it should be made quite clear that cattle includes horses. It is a very difficult question. I have had the question before me professionally on more than one occasion, and quite recently, to advise whether corn consumed by horses on a farm comes within this schedule or not, and it is a very puzzling and difficult question to determine.

Compensation for corn consumed by horses.

20,037. Has it ever been legally decided that cattle includes horses?—Not under this Act but in other Acts. It has in the Cruelty to Animals Act, and also in Wright *v.* Pearson (Law Reports, 4 Queen's Bench, p. 582), which was a case of worrying cattle by dogs; and there it was held that cattle did include horses. But there has been no case, so far as I know (and I have made a thorough search only very recently) which has determined the question under this Act, and I think it ought to be made clear one way or the other. Personally I should like to see horses included.

20,038. (*Mr. Elton.*) Would you like to see a common phrase "horses and other cattle"?—That would do very well.

20,039. (*Viscount Cobham.*) You mean the working horses of the farm?—There is a difficulty about working horses; but in such a case as I had before me recently, where a man bred a number of horses, and kept them very well indeed, and fed them with a considerable quantity of purchased corn, I think compensation for the consumption of that corn should be allowed, and I am not at all clear that it is allowed.

20,040. Corn grown on the farm?—No, I am not on that point yet; I will take that separately, if you please. I think that certainly in the case where a man occupies a breeding or stud farm, the consumption of corn by horses should be allowed for. The case of the ordinary farmer is more difficult, and no doubt there is a great deal to be said on both sides of the question. But on the whole I do not know why the consumption of corn by ordinary farm horses should not be allowed for, inasmuch as the manure made by those horses does good to the farm, and is used on the farm, which is the only reason, so far as I know, why the consumption of corn by other animals is allowed for.

20,041. But all the manure does not go on to the farm?—Not all of it, because when the horses go along the high roads a good deal of it is left on the road.

20,042. It is different from cattle in that respect?—It is different from cattle in that respect undoubtedly, but still, after all a good deal is not left on the roads. You generally see a pretty good heap of manure outside a stable door, and I do not know why the farmer should not be entitled for that in the same way as he is allowed for manure made by his cattle.

20,043. (*Mr. Channing.*) I wish to know whether you would accept the wording of the Central Chamber of Agriculture, "consumption on the holding by horses engaged or kept on the holding," as a sufficient line of distinction between the horses used on the road and the horses used on the farm?—I have made a note of that.

20,044. Do you think these words are satisfactory, it is a very difficult distinction to draw?—It is a very difficult distinction. I am not prepared to suggest any better words.

20,045. (*Viscount Cobham.*) Should not you say that the farmer, as a rule, who claims for purchased corn would require to have his accounts looked into very closely as to whether the cattle or horses ate the corn? He can produce vouchers, and do not you imagine that he is generally compensated?—I do not think that he is compensated for what his horses consume.

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20,046. You think that it is disallowed?—I do not think it is allowed. My experience goes to that.

Compensation for consumption of home-grown corn.

20,047. With regard to corn grown upon a farm, what do you say?—I think the Act requires to be amended. I think that corn that is produced on the holding ought fairly to be paid for now, and for this reason, that the farmer always used to consider his corn crop—that which paid him for his other crops—that is to say, taking the four-course shift for example, he did not look for an actual return from his roots or clover, but from the corn that he grew after the roots or clover. Well now the corn is at such a very low price that it has paid the farmer better to use it as food for his stock than to sell it as food for human beings; and by the consumption of that food he has not required so much purchased food. If he had used purchased food he would, under the Act, have been entitled to compensation, but the stock has derived the same benefit; the manure from the stock is as good; and the land, therefore, has acquired as much benefit, as it would have acquired from the purchased food consumed by the same stock. Therefore it seems only fair that the farmer should be paid for the corn which he uses as food for his stock instead of selling, and which being so used does the same good as the purchased food. In proof that a great deal of English corn is now consumed by stock, my friend, Mr. John Treadwell, of Upper Winchendon, Buckinghamshire, who is an ex-chairman of our Farmers' Club, and a very active member of our committee, has given me the value of corn that he has sold off his farm, and that he has consumed at home during the past five years. The figures run thus:—

Year.	Consumed.	Sold.
	£	£
1888–89 - -	651	1,047
1889–90 - -	914	1,039
1890–91 - -	981	1,181
1891–92 - -	772	1,193
1892–93 - -	963	940

You see in those figures how the consumption of home-grown corn increased from 651*l.* in 1888–89 to 963*l.* in 1892–93.

20,048. Is that entirely owing to the fall in price or is it partly owing to the low quality of the corn grown?—Mainly I think to the fall in the price. I have not been able to get the figures for 1893–94, but you will notice that in 1892–93 the value of the home-grown corn consumed is more than the value of the corn sold. This is only an example of what is going on in many parts of England. I have no doubt you all know that at the Woburn experimental farm of the Royal Agricultural Society of England, experiments have recently been made with regard to the feeding value of home-grown corn, more especially wheat, and that it has been demonstrated that the feeding properties of home-grown corn are as good as many purchased foods, and I think as good—I am not quite sure of the fact here—but I think as good as oil cake.

20,049. There is a little more risk in giving it, is there not?—We had a discussion on this only last week at the Farmers' Club. Dr. Voelcker then read a most interesting paper on the feeding experiments that had taken place at Woburn since they were started both in his father's time and his own. Dr. Voelcker told us, and he was backed up by a most practical man, Mr. Charles Howard, who has taken a very great personal interest in these experiments, and who you will remember was a member of the Duke of Richmond's Commission, that there was very little danger indeed, if any, as regards the consumption of wheat by stock. I must confess it took—I do not say myself, because I do not know anything about it—but it took most of the practical farmers in the room rather by surprise, because there is an idea still extant that wheat is an unwholesome food, and given in quantities may do more harm than good.

20,050. (*Mr. Lambert.*) I lost five ewes in one week by giving them wheat?—Well I shall be happy to send

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you a copy of this paper. I think I am right in what I say; there is not that danger that farmers generally think there is. I quite admit that the statement took the practical farmers in the room somewhat by surprise as apparently it has taken you.

20,051. (*Viscount Cobham.*) You recognise the difficulty of ascertaining the value?—Yes, there is a great difficulty in ascertaining the value; there is a difficulty in ascertaining the amount consumed and putting a proper value upon it.

20,052. How do you get rid of the difficulty?—Of course the farmer could not be paid for it unless he proved to the umpire or valuer that the home-grown corn was given to the stock, and that he must do by means of his workmen who actually fed the stock. And the value would be ascertained roughly in this way, we all of us know what the market value of the corn is on a particular day in a particular neighbourhood, and the valuer would say, "Mr. So-and-So would "not give his stock the very best of his wheat or his "barley or his oats; he would sell that, so that we must "not take the tip top price but something under it." I think the value might be got at like that. There may be better ways. I do not profess to lay down any hard and fast rule upon that subject; but that occurs to me; you get the value by taking something under the market value of the day, and you would get the quantities by the evidence of the farmer and his men. Of course if he kept his books and entered them up, they would be certain evidence but not sufficient. You must get the evidence of the carter or the shepherd, or head man that the corn was given.

20,053. At the present time in the case of two farms being held by one man you would have to rely a good deal upon the statement of the tenant as to where the purchased food was consumed?—Undoubtedly. Of course in the case of purchased food under the Act tenants are always required to produce the bill so that you have that check upon them.

20,054-5. But as to where the stuff is consumed you must take the word of the tenant?—Yes, but you must not consider all farmers as quite a bad lot.

Free sale of improvements.

29,056. You are not in favour of a free sale of improvements?—No, certainly not. I said something about that in my Report of 1882.

20,057. You do not wish to add anything to what you have said?—I have seen nothing that has occurred since I wrote that to alter my opinion upon that matter. Before passing from my report I should like, if I may, to refer to page 105 of it in connection with the six months' notice to quit on which I was examined yesterday.

Non-scheduling improvements.

20,058. Certainly?—May I also refer in connection with my evidence about the non-scheduling of improvements and of having a short Act of Parliament, to the Allotments and Cottage Gardens Compensation for Crops Act, 1887, which perhaps I may say is my draughting. It was brought in and carried through the House of Commons by Sir Edward Birkbeck, and to a certain extent it embodies that idea of mine of the short Act that I have just advocated. Section 5 says: "Upon the determination of the tenancy of a holding "after the commencement of this Act the tenant shall "be entitled notwithstanding any agreement to the "contrary to obtain from the landlord compensation in "money for the following matters and things, that is "to say:—(*a*) For crops, including fruit, growing upon "the holding in the ordinary course of cultivation, and "for fruit trees and fruit bushes growing thereon, "which have been planted by the tenant with the "previous consent in writing of the landlord." That is one thing:—"(*b*) for labour expended upon and for "manure applied to the holding since the taking of "the last crop therefrom in anticipation of a future "crop. (*c*) For drains and for any outbuildings, "pigsties, fowl-houses or other structural improvements "made by the tenant upon his holding with the "written consent of his landlord." I think with modification and a little alteration exactly the same principle will apply to a general Agricultural Holdings Act.

20,059. You do not bring in the general improvement of the holding?—Not quite.

20,060. But you specify every improvement for which compensation can be obtained?—Yes.

20,061. (*Mr. Channing.*) Do not you exclude that with reference to bushes?—I do not mean to say that that section is to apply to the proposed Act *in ipsissimis verbis*, but I call this Act in aid of the idea that I advocated in 1882.

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20,062. (*Viscount Cobham.*) As to the law of distraint, what do you say?—I think that the right of distress in spite of much that I hear from some of my farmer friends should be retained and not done away with. But I think that looking at it entirely from a legal point of view we want section 44 worded rather more clearly.

The law of distress.

20,063. (*Chairman.*) What are your reasons for that alteration?—One great reason is that the landlord is in a very different position as a creditor from any other creditors owing to the different nature of the property that he, so to say, sells; that is to say, lets to the tenant; and I also think that the right should be retained because it enables landlords to give their tenants time and not to be not very anxious, but easy with them in times of distress such as we have passed through.

20,064. It gives him no inducement to pay other creditors?—Quite so.

Limitation of landlord's right.

20,065. (*Viscount Cobham.*) How would you amend it?—I should like to see the section altered so that the landlord's right should be limited absolutely to one year.

20,066. We have had it stated here that the effect of such a law has been practically to give the landlord two years?—In some cases it is possible it may extend to two years, but it certainly extends to a year and a half; there have been several cases. Perhaps the one to which you refer is ex parte Bull *re* Bew, reported in the Law Reports 18, Queen's Bench Division, page 642. I have a case here before my old master, Mr. Holl, then a Judge of the County Court at Hexham, in which he decided exactly the same thing

20,067. (*Mr. Channing.*) Has not the rent been paid in advance?—It is rather difficult to express the reason of the decisions in a few words; it requires some little thought.

20,068. (*Viscount Cobham.*) I think we had the details of the first case in full?—Perhaps if I read the facts shortly of this case, the Commission would understand the reason of the decision much better than if I were to express them in my own language, "The plaintiff took the farm of Coalpits from the "defendant as a yearly tenant, from May 13th, 1874 "at the yearly rent of 230*l.*, subsequently re-"duced to 180*l.* 10*s.* By the agreement of tenancy "under seal it was provided that the rent should be "paid by two equal payments on the 11th November "and the 13th May, and the first payment was to be "made on November 11th, 1874. By the ordinary "course of dealing between the plaintiff and defendant "the payment of the rent was allowed to be deferred "until after the expiration of a half year after it "became due by the deed. Therefore the plaintiff did "did not make his first payment of rent until after "May 13th, 1875. This course continued down to "November 1886. On the 11th November 1886, the "plaintiff having got a further half year into arrear, "there was due according to the terms of the deed, "three half-years' rent, namely, that due 11th "November 1885; 13th May 1886; and 11th November "1886. On the 28th December 1886, the defendant "distrained for and was paid 270*l.* 5*s.*, the amount of "these three half-years' rents. The plaintiff brought "this action to recover 90*l.* 5*s.* half-year's rent "improperly distrained, on the ground that the "defendant could not make a distress for rent due "more than a year before making the distress; and "that if under the proviso to the 44th section, the "defendant could, by reason of the ordinary course of "dealing between the plaintiff and defendant include "in his distress the rent due by the deed 11th November "1885, he could not include that due by the deed 11th "November 1886, because the ordinary course of "dealing between the plaintiff and defendant allowed "the payment of such rent to be deferred until after "the expiration of a half-year after the 11th November "1886. Therefore it must (as provided by section 44) "be deemed to become due at such deferred period, "namely, 13th May 1887, and not at the 11th November "1886; and therefore, in any case, under the circum-"stances the defendant could not distrain for more "than one year's rent." Then the decision is:— "The intention of the Legislature may likely have "been not to allow the landlord to recover more than "a years' rent. But I think the effect of the section, "under the circumstances of the present case, is such

" that there is nothing to prevent the landlord re-
" covering a year and a half's rent. The main provision
" of the 44th section does not say that the landlord
" cannot recover by distress more than one year's rent,
" it only says he cannot make a distress for rent which
" is due more than one year before the making of the
" distress. It is admitted that there has been a custom
" that the rent should not be paid until a half year after
" the rent became due under the terms of the deed, and
" the rent which was thus due on November 11th, 1885,
" does not, for the purposes of the section, that is to
" say, for the purposes of the limitation arising under
" that section, become due until the 13th May 1886,
" and in the same way the rent which became due on
" the 13th May 1886, did not become due for the pur-
" pose of the limitation arising under the section until
" November 11th, 1886. Therefore there is no dispute
" with regard to these two half years' rent which the
" landlord was entitled to distrain for, it being rent
" which, under the terms of the proviso became due
" within 12 months before the making of the distress.
" The whole point turns upon whether or not there
" is anything in the section to preclude the landlord
" from distraining for rent which became due under
" the terms of the deed on November 11th, 1886.
" It is contended that by the custom of the parties,
" the rent not having been actually paid until six
" months after the time when it becomes due by the
" terms of the deed, that the landlord cannot distrain
" for it until after the time it is customary to pay it. I
" do not think the landlord is so precluded. I think it
" is a matter of grace that the landlord has allowed the
" tenant to pay the rent at a later period than that at
" which he was legally entitled to demand it and to
" distrain for it. I do not think you can imply from
" any such course of dealing an agreement which would
" have the effect of altering the terms of the deed. I
" think there would be nothing to preclude the land-
" lord from distraining for the half year's rent which
" became due on November 11th, 1886. I do not think
" the effect of the proviso is to take away from the
" landlord the common law right which he would other-
" wise have had to distrain for the rent which became
" due on the 11th of November 1886. Judgment will
" therefore be for the defendant." Precisely the same principle governed the decision in *ex pt.* Bull.

20,069. If the decision had been otherwise very little grace would be allowed in future?—Quite so.

Procedure under the law of distress.

20,070. What do you say as to the procedure under the law of distress?—I think the procedure on the law of distress requires alteration. I think the right of distress may be made very hard. I object to the secrecy with which distraints are levied. I think there ought to be something in the nature of an order of the court in the first instance. I quite agree that since I wrote in 1882 matters have rather improved in this respect, because now persons who levy a distress must be licensed by the county court. You can not take up a man in the street and let him levy a distress as you could before the law was altered. But I do not think that goes quite far enough; in many cases now the right inflicts a very serious hardship upon a tenant; and this does not apply to agricultural tenancies but to all tenancies. I have a case in my mind in which this happened: A farmer was in arrear with his rent at Christmas; he had agreed with the agent that on a certain day in the following February he would pay 300*l.* of those arrears; and he was making his arrangements accordingly to pay that on that day. Before that day arrived, the agent sent one of his under-strappers and made inquiries in the village where this man lived, and from the inquiries that he made he thought that the man intended, or seemed likely not to keep his engagement that he had made to pay his 300*l.*, and then and there, before the day arrived, he put a man in possession and distrained. The distress was actually levied. The tenant was away from home; he was met at the station by his son with tears in his eyes. The farmer was a respectable man, and I need not tell you that he was very much annoyed at this indignity being offered to him, and he went to the agent and told him so, and then he went to the agent's master and got the man in possession removed. The man was not removed until next day, and the cheque for the 300*l.* was paid at once. I think that was a very cruel case. It has done the tenant and his family an irreparable wrong. The tenant, I need hardly say, left the farm as soon as he could; he held the farm under six months' notice to quit on either side, and he gave his notice before the 25th of March and got out on the 29th of September. That was a case in which the six months' notice was advantageous.

20,071. (*Chairman.*) How would you remedy such a thing?—I speak in the presence of Mr. Elton, and perhaps other lawyers, but I think that some remedy might be effected by a procedure analogous, to Order 14; that is to say, if you have a specially endorsed writ, you get judgment on that order, except the defendant shows good cause to the contrary. I suggested before that you should get from a court of competent jurisdiction, the county court, if you please, an order that distress should be levied and that the order should go upon service of it upon the defendant as a matter of course unless within 48 hours or some shorter time, a short time it must be, otherwise the order is of no use, he shows good cause to the contrary.

20,072. The complaint was that the distress was levied without notice?—It was levied without notice, and I think that is an injustice to all tenants.

20,073. I presume that the reason for the law at present is that if the tenant had notice he would not leave his goods?—Yes.

20,074. But we are dealing not with land but with every kind of tenancy?—Yes.

20,075. And the question is whether it would be safe to amend the law so as to give rights in every case and time in which he might remove his furniture or his goods, that is the difficulty?—That is the difficulty, I have thought of that, and I think you might get over it by having when the writ was issued an *ex parte* injunction granted to prevent a tenant parting with his goods. You would, so to say, amalgamate the Chancery procdure of getting an ex parte injunction, and the Common Law procedure under Order 3, Rule 6, and Order XIV.

20,076. (*Mr. Elton.*) Which you used to get very quickly—in the morning if you thought the straw or corn was to be moved in the evening?—Yes, we can do that now promptly.

20,077. (*Viscount Cobham.*) There would not be much difference if your suggestion was carried out except that it would be less of an indignity?—There would be less publicity. Every man in the village knew that the tenant had the bailiffs in the house in the case I have mentioned. It is really a terrible thing; the man's credit is gone.

20,078. There would not be the same publicity in going to the court?—Not in going to the court. But the consequence to the man would be worse—he would be liable to be committed for contempt of court, and to be sent to jail, so that the alteration is no hardship upon the landlord, for the landlord would be in as good a position as now; but you would avoid such cruel usage as in this case.

Income tax.

20,079. We have had a good deal of evidence on rates and taxes, and unless you have anything special I do not think it is necessary to go into it?—I should like on that question of rates and taxes, to hand in the resolution which the Farmers' Club passed on the 30th April last and sent to the Chancellor of the Exchequer in reference to the Income Tax. There are two points on the Income Tax I wish to bring before the Commission.

20,080. Are they incorporated in these resolutions?—One of them is.

20,081. (*Chairman.*) Just read the resolution?—The resolution was, " This club respectfully submits to the " Chancellor of the Exchequer, that occupiers of " land in England should not be charged at a higher " rate of duty for Income Tax under Schedule B. than " occupiers of similar land in Scotland or Ireland."

20,082. That is another point?—That is one point I wish to draw attention to.

20,083. (*Viscount Cobham.*) What is the other point?—The other part of the resolution protests " against " the injustice of assessing the duties payable on the " succession to real estate on the capital value of such " estate, so long as personal property is exempted from " local rates." I think it my duty to hand that in. The other point on the Income Tax is that I do not think the allowance of 10 per cent. under Schedule A. is enough. I got my brief up before the Budget was announced, and that was one of the points I made and advocated.

20,084. (*Mr. Lambert.*) How much would you suggest?—I will give you the figures in my own case. I let a

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small farm at 255*l.* 10*s.* a year, and I pay Income Tax upon that amount and the tenant deducts it. I do not get anything like 255*l.* 10*s.* because I pay for land tax 11*l.* 9*s.* 1*d.*, and I have to pay a drainage rate, which is a landlord's charge, of 4*l.* 7*d.*; the property is held on two manors, part of it freehold and part of it copyhold, and the quit rent is 5*l.* 3*s.* 2*d.*

20,085. (*Chairman.*) Surely this would be deducted?—Never.

20,086. (*Mr. Everett.*) You are not required to pay Income Tax on what you pay away for land tax?—Is that so?

20,087. (*Mr. Little.*) Nor for drainage?—Well then there is a charity rentcharge, and the repairs are 18*l.*, that is on an average of three years, so that my receipts are 213*l.* instead of 255*l.*, and I think 10 per cent. does not cover that.

20,088. (*Chairman.*) According to the view of Mr. Little you are entitled to deduct the land tax; you are entitled to deduct these things—take the land tax first?—That is 11*l.* 9*s.* and 4*l.* for drainage, if that is so then what I say falls to the ground. I am much obliged to Mr. Little. I will in future deduct these items.

20,089. (*Mr. Little.*) Have you made the return or was the return made by the tenant?—The return was made by the tenant.

20,090. And if the tenant does not claim the landlord suffers?—Certainly.

20,091. But the landlord is not obliged to repay the tenant more than the proper amount that should be charged?—I know that that is so. In my house in London I suffer the other way.

20,092. And the assessment is made upon the return of the tenant?—The assessment is made upon the return of the tenant.

20,093. And does not come under your notice at all?—I know nothing about it.

20,094. Your remedy would be to deduct something from what the tenant has paid?—Certainly I could not do that from the tenant.

20,095. But still you have by law the right to do it?—So I understand.

20,096. (*Chairman.*) You can tell the tenant to make these deductions?—Yes, I suppose so.

20,097. (*Mr. Lambert.*) As to whether the 10 per cent. now proposed by the Chancellor of the Exchequer would cover that, I think you have shown that it does?—The figures show that.

20,098. (*Chairman.*) If you deduct these items it is quite clear that the 10 per cent. would cover it?—It would more than cover it in my case.

20,099. (*Viscount Cobham.*) For that particular year?—This is an average of three years.

20,100. Would that be the case in large estates?—No, I do not think so.

20,101. (*Captain Owen Thomas.*) That does not include new buildings or anything like that?—No, it does not include new buildings or interest on money that was spent in new buildings.

20,102. (*Chairman.*) That is in the nature of an investment?—Yes, it is in the nature of an investment; it does not include that. I spent 200*l.* or 150*l.* when the tenant went in six years ago. I have not taken this into consideration, but I do not think 10 per cent. would be enough in the case of large estates. Of course I employ no agent having only this little farm of my own; the tenant simply sends me the cheque and there is an end of the matter, and I go down myself and see for myself the gates and buildings, and have a chat with the tenant as to what is wanted on the farm.

20,103. (*Viscount Cobham.*) Was not it calculated even before the great fall in rents that the 10 per cent. of the gross income was required for the maintenance of buildings alone?—Certainly, that comes out in my figures; if you deduct the land tax, the drainage rate, the quit rent, and the rest is only repairs, it brings it very nearly to the 10 per cent.

20,104. (*Mr. Lambert.*) Ten per cent. would be 25*l.*, and in that case in that year it is only 18*l.*?—Quite so, but with regard to what Mr. Lambert asked me as to English farmers, I have tried to ascertain why the Scotch and Irish farmers only pay on one-third in Schedule B., and the English farmers pay the half of seven-eighths, and I cannot find any reason for it.

20,105-6. (*Mr. Clay.*) Is it not because the Scotch farmers have paid more rent than the English farmers?—I do not know whether that is the reason. *Mr. S. B. L. Druce.* 11 May 1894.

20,107. (*Chairman.*) There must be very few farmers even now with the reduction of rents who pay any Income Tax at all. Under the system of abatements at present the farmers pays on one half of the rent, and that must be 300*l.* before he pays anything. At present unless the rent is over 300*l.* the farmer pays no Income Tax at all?—That is true.

20,108. But beyond that there is an abatement up to 400*l.*?—Yes, now; and it is to be up to 500*l.*

20,109. Up to 500*l.* Therefore with a reduction of rent the number of farmers who pay Income Tax must be very few; and beyond that there must be a very large number who get considerable abatements?—No doubt there are a good many farmers with higher rents than that.

20,110. (*Viscount Cobham.*) Have you anything more to say upon that?—No.

Agricultural education.

20,111. As to agricultural education, do you think it might be extended?—I am very sorry that there is no representative on the new Secondary Education Commission of agricultural education at all, especially with reference to agricultural technical education by county councils.

20,112. You advocate farm schools?—I have advocated farm schools for a long time, but not school farms,

20,113. To teach labourers or farmers?—Farmers.

20,114. Maintained by the county councils?—Maintained by the county councils.

20,115. Would that be in lieu of the system of itinerant lecturers?—I do not think that there has been a fair trial of the practice of itinerate lecturers.

20,116. (*Chairman.*) What is the distinction between farm schools and school farms?—A school farm is where you attach a farm to an existing school such as an endowed grammar school. It has been said that there should be a farm attached to each of those schools at which boys should learn agriculture. I am against that. The farm school, on the other hand, is for boys who have left the ordinary school. There should be such a farm in each county with proper buildings where the boys may be received as boarders, and at which they should be educated practically on the farm and theoretically in the building.

20,117. (*Viscount Cobham.*) That would necessitate a combination of counties?—Yes, perhaps. The farm schools as I advocate them are very much like those in France.

20,118. It has been done in a few cases?—Yes, they have begun in Surrey and Sussex, and they are contemplating it in other counties.

20,119. There is one in Nottinghamshire?—I did not know that. I have given a good deal of attention to this subject and written a good many papers on agricultural education, and many years ago I was the first hon. secretary to the Committee of the Royal Agricultural Society of England when under the guidance of the late Mr. Holland and Sir Thomas Acland, the Society started the agricultural education. I think there is not sufficient done, and something like farm schools is required.

20,120. (*Chairman.*) What sized farms must they be?—That depends upon the circumstances of the locality, and the money that is available. You must not have too large a farm. The point that I advocate is that the boys on them should do practical work as well as receive theoretical instruction.

20,121. (*Viscount Cobham.*) At what age should they go?—After they have left school. My idea is to give the boy the ordinary general education of a board school or a better class of school.

20,122. At what age would you take them?—15 years of age.

20,123. (*Chairman.*) Supposing a county council or a combination of county councils take 200 acres, they would farm that and work it?—That is my idea. The size must depend upon the money available. There is nothing like taking an instance. I have practically worked at this through one of my sons. I gave him a good school education and he passed the Matriculation Examination at the University of London; then I sent him to Cirencester and kept him there the full term. He came out gold medallist, and was second at the

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Royal Agricultural Society's examination. He has taken up as his work in life the teaching of agricultural education. The Cheshire County Council started the idea which we are now talking about as an experiment last year. They had had a dairy institute for many years. Last autumn, not wanting it during the winter time, they took a dozen or 14 boys and boarded them, and taught them the practical work upon that farm for the six months between Michaelmas and Lady Day last, and these boys worked at the farm work, and were taught in the science connected with agriculture as well. My boy was in charge.

20,124. The Cheshire County Council had this farm not for this purpose but for other purposes as a kind of dairy farm?—No, as a dairy institute. It was started in Cheshire before the grant was given to the county councils. It was started by a limited company, and when the county council had the grant given to them the company turned over the farm to the county council. During the summer they have dairy classes continuously, one following upon the other, and during this last winter they have tried the experiment of using the farm and buildings as an agricultural college for boys.

20,125. The main object of the farm is a model farm, I suppose, to be an example to the neigbourhood?—Not a model to the neighbourhood at all, but as a teaching place.

20,126. Merely as a teaching place?—Merely as a teaching place.

20,127. (*Viscount Cobham.*) Not with a view of profit?—Not at all.

20,128. Does it pay its way?—I do not know. I think that something of the sort might well be done in other counties or districts.

20,129. But you are not disposed in favour of the practice of sending itinerant lecturers?—I do not think that practice has been fairly tried, because county councils have tried to combine two if not three things, which in my opinion are not capable of combination. They have tried to make these lectures such as boys can understand and educational to them; and they have also tried to make them instructing and amusing to grown-up farmers. It is impossible to combine those two things. It is not fair on any lecturer to ask him to attempt it. The instruction to a grown-up farmer is a totally different thing from the instruction required for boys and girls leaving or who have just left school. Some councils have tried to combine a third thing, namely, the instruction of the teachers and schoolmasters in the ordinary board and elementary schools. Those three things, the teaching of the children, the instruction of grown-up farmers, and the teaching of the teachers should all be kept perfectly distinct from each other. The consequence of the attempt to combine two of, and in some cases all those three things, has been that the lectures under the system pursued have not been a success, but I think that it deserves a longer and further trial, and if done on the lines I have indicated a greater success will attend it.

20,130. (*Chairman.*) In this case of the Cheshire farm, do they charge anything to the boys?—They give the boys what they call scholarships, which consist of sufficient to pay their expenses during the time that they are at the farm.

20,131. Are they from the class of farmers?—I believe so.

20,132. Not labourers?—Farmers I believe.

Freedom of sale and cropping.

20,133. (*Mr. Whitehead.*) Under the head of restrictions on cultivation and sale of produce you say that the tenant should be allowed to crop as he likes and sell what he likes under the obligation to keep and leave the land clean and in good condition. Would the landlord in that case be sufficiently protected, do you think?—I think he would.

20,134. There would be good tenants to whom that would apply well, but there would be bad tenants to whom that would not apply?—You must mind the words "keep and leave"; if he is not keeping the farm in good heart and condition he is liable to an action at once.

20,135. You think that the tenant should not return the equivalent of manure for the hay and straw that he sells?—I should be inclined not to insist on that on the whole.

20,136. Your idea would be to restrict a tenant as little as possible?—That is my idea.

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Scheduling the condition of farms.

20,137. Would not the system mentioned by Lord Cobham just now as recommended by former witnesses of having an assessment of the fertility of each field on the farm by a practical man at the commencement of a tenancy, and also at the end—would not that be useful in this case?—Certainly, most useful.

20,138. And would be practicable, in your opinion?—I think it would be practicable. Of course it would be a great change, but I think that it would be practicable.

Agricultural Holdings Act. Extension of section 34.

20,139. To go on to the question of the erection of glass-houses, &c., without the consent of the landlord, might not this happen, that if a tenant put up such expensive houses upon the property, and did not succeed at the end of the tenancy, the landlord would be obliged to pay him for those glass-houses if he could not succeed in getting a tenant to take them?—I think not, because according to my idea he should only be entitled for matters of that sort if they were applicable to the particular farm.

20,140. And therefore it would only apply to farms in a district near a town?—It would probably only apply to a farm near a town. My idea is that the tenant is not to be allowed for any fancy erections that he may make on a farm, but only such as improve a farm *quâ* farm.

20,141. It would only be for the growth of such things as tomatoes and cucumbers, for which things there is a demand and ready sale?—Yes.

20,142. How would you make a restriction in the case; how would you limit the locality?—One of the reasons which apparently influenced the mind of the learned judge in his decision in the case of Meux and Cobley, was that in the particular locality where that farm was situated, many other farms were being adapted to the same sort of cultivation, and the growth of the same sort of produce, and it might be said that the tenant was doing no more than cultivating according to the ordinary cultivation of the district.

20,143. And his neighbours were doing the same?—His neighbours were doing the same. In carrying out my plan you would have to take into consideration similar reasons.

The schedules under the Act. Hops.

20,144. Why do you leave out the planting of hops from the Schedule of Part 1. You recommended that the fruit bushes, &c., should be taken out of that, Part 1, and put into Part 3, but you omit hops, and hops are in the first part?—It escaped me; I have no particular knowledge of hop countries, but I see no reason why hops should not be put into Part 3. It seems to me to follow.

20,145. Exactly; they are not more expensive to initiate than orchards?—No.

20,146. And therefore you would have no objection to exclude them from that schedule?—Quite so.

Removal of fruit trees.

20,147. (*Chairman.*) Can a tenant remove fruit bushes on the termination of his tenancy?—No, unless he is a market gardener.

20,148. If he is a market gardener, can he?—Yes.

20,149. But not otherwise?—Not otherwise.

20,150. An ordinary farmer who owns ordinary currant bushes, can he remove those at the end of his tenancy?—No.

20,151. Nor claim compensation?—No.

20,152. Could he cut down the apple trees which he himself has planted?—No.

20,153. Could he be restrained by the landlord for cutting them down?—Yes.

20,154. (*Mr. Everett.*) So far as he does not disturb the soil he may?—I do not think that it is so.

20,155. (*Mr. Elton.*) Jessel decided that; he said you must not cut down the trees; it would be altering the nature of the inheritance?—Quite so.

20,156. (*Chairman.*) When you have planted the tree in the ordinary course of cultivation, can you cut it down?—It is part of the soil.

20,157. I am rather doubtful. Where the tenant has planted a tree I am disposed to think that he would be entitled to cut it down?—I do not think that he would.

20,158. Where trees have been planted before the tenancy, of course, that would be a different matter?—There would be no question there; but even if he

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plants them himself they become part of the property of the landlord.

20,159. (*Mr. Whitehead.*) If a tenant plants fruit trees he cannot take them away?—Certainly not.

20,160. He must leave them for the landlord, they become the landlord's property?—Certainly.

20,161. It is very desirable to encourage the planting of orchards, of course. But might it not entail hardships upon the landlords if tenants plant expensive fruit trees on unsuitable land?—Undoubtedly.

20,162. You protect the landlord against that contingency?—My idea is to compensate the tenant if he improves the farm as a farm if he carries out any farming operation, planting or what not, in an improper way, it is not an improvement, and he would get no compensation for it; if he plants trees on a rocky or other unsuitable soil, he would get nothing.

20,163. Although a tenant were distinctly allowed to plant what he liked, that would be a matter for the referee or arbitrator to decide?—Yes.

20,164. Might not that taking away of the consent from the landlord prevent him from planting fruit trees, which landlords do in a great many cases; would not the landlord say, "If you have that right without consent, you can do as you like; I will not give you "fruit trees;" because, as a matter of fact, landlords find fruit trees for the tenant. Would that prevent the landlord doing so?—I do not quite see that it should detract from the landlord supplying those things, the fact that the tenant might plant fruit trees without the landlord's consent would detract from the landlord supplying them.

Agricultural education.

20,165. As to the difficulty of getting lecturers by county councils, have they difficulty in getting proper lecturers?—They have undoubtedly great difficulties.

20,166. That is because the men have not been trained to the work?—There is not a proper supply at present.

20,167. Do you propose by your farm school to educate lecturers up to the proper mark?—I do not think that my farm schools will quite be equal to educate lecturers to that kind of work. My farm school is intended for the children of the farmers in the district. For a man to be a lecturer he wants a great deal more than that: he ought to go to a recognised Agricultural College. And in that regard I think that Cirencester and Downton ought to be officially recognised; that the men from them who pass in honours, and hold their certificates or diplomas should have a certain preference, just as honours men at our Universities have for other educational appointments.

20,168. Do you know that a school of the kind you indicate has just been started in Kent?—I had that in my mind.

20,169. Is that the kind of school you would establish in those districts you speak of?—Yes.

20,170. With a staff of professors, and generally to give an effective education in agriculture?—Yes.

20,171. And a certain number of acres for experimental work?—I think you might add that. But you must keep the experimental part distinct from the rest: you must not mix them up at all.

20,172. That is to be done at the Kent College: a certain part for experiment, and a certain part for practical teaching?—I do not know the details of the College.

20,173. Are you acquainted at all with Swanley College, for the purpose of fruit and garden cultivation?—I have not been there.

20,174. You do not know that that is on the same line?—I know that it is somewhat on those lines, but it is entirely horticultural, I think.

Income tax.

20,175. (*Mr. Giffen.*) With regard to the tenant's income being taken when assessments are made under Schedule B, is that a good mode of assessing tenants on their profits?—No, I do not think it is theoretically a good mode.

20,176. You cannot possibly fix by an Act of Parliament what the proportion of the tenant's income to the rent is?—I think that mode is very convenient, but I do not see that it is good in the sense of being accurate.

20,177. The proportion must vary in different places, and must vary according to the capacity of the tenant, and must vary from time to time, must it not?—Undoubtedly; I think that it is only a rough and ready way of getting at the tenants' income.

20,178. Would not the effect of a very great change of rent during the last 10 years, or 15 years be, that the proportion of the tenants' income has been changed by that change of rent—take the country all over?—I am not quite sure whether that would be so.

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20,179. Take 10 years ago: a tenant paid a rent of 600*l.*, and now the rent is 300*l.*; would you say that the tenant's income bears the same proportion to the 300*l.* as to the 600*l.*?—That is a very difficult question.

20,180. Then it is not a good system, fixing by Act of Parliament a certain proportion of the rent as the mode of assessing the tenant's income?—I do not think that it is good as an accurate mode; I think that it is a very convenient one.

20,181. It saves a lot of trouble?—That is my idea about it.

20,182. And you are not aware of what the calculations were upon which the proportion of the Income Tax Acts in England and Scotland respectively were settled?—I could not find out. Partly with a view to my evidence before this Commission, and for other reasons, I took a great deal of trouble to find out the reason for the difference, but could not get at it. The difference, in the first instance, as you are aware, applied only to Scotland, because there was no income tax in Ireland—for 10 or 12 years—between 1842 and 1854; the income tax was not imposed in Ireland until 1853 or 1854. I looked through the books on income tax, and tried everywhere I could think of to find out why this difference was made between the Scotch and English farmers.

20,183. Have you tried to find out the reason why the proportion that exists for the English farmer was made?—I could not find out why it was.

20,184. I tried to find out that myself, and I could not find it out?—I thought I had not gone far enough; although I have given a great deal of time to it, and it is therefore satisfactory to find that others have failed too.

Law of distress.

20,185. Then with regard to the distress for rent, and the remedies that you suggest, I suppose you are thinking of England alone, and not of Scotland?—My remarks apply to England only.

20,186. In fact, in Scotland they have very much the system that you propose?—Very much. The law of hypothec—I have not looked into it lately; it was partly abolished in 1867, and entirely in 1880, if I remember aright.

20,187. But in any case in Scotland, whether distress or an execution for debt, or anything of the kind, it is all done under the supervision of the court?—I think so; I think that is one of the points in which the Scotch law, as in many other points, is superior to ours.

20,188. I should like to ask you a question with reference to my examination of Mr. Smith, which, I think, you listened to yesterday?—I did.

Market gambling.

20,189. I put to him a question as to whether he had any acquaintance with the history of legislation for the prevention of speculation or illegitimate dealings in business, and, as I understand you are acquainted with these matters, I should be very much obliged if you would tell us what the history has been with regard to forestalling, and things of that sort, whether it has been effective or not?—I can only give you the legal position of it. Practices tending to enhance the price of victuals and other merchandise were an offence at common law, and were known under the name of forestalling, which included regrating and engrossing. In addition to offences at common law they were also prohibited by various statutes, the earliest of which was passed in the 51st year of the reign of Henry III., down to the 12th year of George III. But in the 12th year of George III., all these Acts, and also the Scotch and Irish statutes, to a similar effect, were repealed. The preamble repealing the Act runs thus: "Whereas "it hath been found by experience that the restraints "laid by several statutes upon the dealing in corn, "meal, flour, cattle, and sundry other sorts of victuals, "by preventing a free trade in the said commodities, "have a tendency to discourage the growth, and to "enhance the price of the same; which statutes, if "put in execution, would bring a great distress upon "the inhabitants of many parts of this kingdom." It may be a convenience perhaps to you, and to the members of this Commission, to know that in that statute you will find all the earlier statutes from the first year of Henry III. enumerated, every one of them,

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and they are all repealed. But the offence at common law still remained, notwithstanding that repeal, and it was not until 1844 that the common law offence was repealed by the 7th and 8th Victoria, Chapter 24. A special section in the last mentioned Act, however, keeps on foot the offences of "knowingly and fraudulently spreading false rumours with intent to enhance "or decry the price of any goods or merchandise, and "preventing by force or threats any goods being "brought to a fair or market."

20,190. Legislature has deliberately enacted that there is to be the utmost freedom in the markets in dealing with produce of every kind?—Absolutely.

20,191. That there is to be no restraint?—No restraint at all.

20,192. And that is the result of a long experience upon the subject, that all those Acts which were passed at different times for imposing restrictions upon produce were found to be ineffective, or useless, or worse?—That is the conclusion to be deduced.

20,193. These Acts do not include other Acts of the Legislature which were directed against speculation more particularly?—No, they relate only to the supply of victuals, of corn, meal, and such like things.

20,194. Still the dealings aimed at by these Acts were undoubtedly a speculation of a kind?—Undoubtedly regrating and engrossing, or the buying up of a thing in order to sell it in detail, so to say, or to prevent the goods going into a free market were a sort of speculation.

20,195. Our legislative experience is entirely against any restrictions in dealing with produce?—Entirely.

The law of distress.

20,196. (*Mr. Clay.*) You said, in answer to Mr. Giffen, regarding the law of hypothec that we manage things better in Scotland than in England?—I fancy you do.

20,197. But regarding hypothec you know that it has been abolished comparatively in Scotland; why should not you follow out the same thing in England by the law of distraint?—Well, for the reasons I have said, I think that the law of distress does more good than harm.

20,198. But if hypothec is abolished in Scotland, and landlords have not felt the disadvantage of it, and the tenants, I suppose, are thriving as well, if not better than in England, why not abolish it in England; the same principle applies?—I am not sufficiently acquainted with the conditions of Scotch farming and Scotch tenancy to give a proper answer to that question; I can only speak for England.

20,199. You said in your evidence that the law of distraint in England gave the tenant more time to pay his rent?—I think so.

20,200. That the landlord gave him more credit?—Yes, I think if you abolish the law of distress you would have rents paid in advance, what we call fore-rents; and I am not sure that you have not a good many fore-rents in Scotland?

20,201. We have?—I am not at all clear in my mind that that is not a greater hardship upon a tenant than the existence of the right of distress.

20,202. But sometimes this law of back payments rather encourages the taking of more land by the tenant than he has capital for?—It may; I quite admit that it is possible.

20,203. Is it not generally so, as a rule?—Not as a rule, I do not think so.

20,204. I suppose you admit that rent is the interest of the landlord's capital in the land?—Do you say that rent is the interest of capital in land?

20,205. The rent is the interest of the landlord's capital invested in land?—Yes, I suppose it is; I do not think I can get over that.

20,206. The trader who supplies the farmer with different articles for the benefit of the farm in the shape of lime, cake, manure, and clover; seeds, &c., what position is he in?—The trader need not supply a single shillingsworth of goods until he has been paid for them.

20,207. And the landlord need not take the tenant without he has capital?—The tenant must pay in that case a fore-rent, and I say that is a great hardship upon him. Take a tenant going in at Michaelmas; a tenant going in at Michaelmas practically obtains nothing from the farm to pay the half year's rent due at Lady Day until the following Michaelmas.

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20,208. And as the trader advances his seeds and cakes and all those other things on credit, which is often done, does he get it back again as well as the landlord? Does not the trader who sells his articles to the tenant often have to wait 12 months and 18 months for his money?—But that is the distinction; he need not; there is nothing in the nature of the article that he supplies that compels him to do it. Now, as regards the land the nature of the article is such that the landlord must give it, that is to say, sell it *pro tanto* to the tenant at once, and the tenant can get no return from it for at least six months.

20,209. But how soon does the tenant get a return from the trader's outlay?—Soon.

20,210. How soon?—Very soon.

20,211. No sooner than the landlord?—Yes, supposing he fats bullocks for Christmas, and he does not put them in until November.

20,212. I did not mention a bullock or a sheep. I mentioned the article that he buys from the trader in the shape of lime, for instance?—He buys oil cake and he gets his return by the sale of the bullocks or sheep in six weeks.

20,213. And if he puts the lime into the farm, what then?—Of course he takes some time to get a return.

20,214. Do not you think that the landlord sometimes gets an extra per-centage of rent?—No, I do not think so.

20,215. Does not the man who buys on credit pay more for an article than a ready money buyer?—But the land is a limited quantity.

20,216. But the landlord puts the tenant there, he has the choice of the tenant, has he not?—A good many landlords would be glad to have the choice of tenants now.

20,217. I am speaking of ordinary times, this is an exceptional depression in England. I hope that it will pass away?—I hope so.

20,218. But the landlord has a right to enter into the tenant's capability as to the supply of capital?—Undoubtedly.

20,219. And why should not it act the same as in England?—It may be I have not seen much of it; but I cannot help thinking that it would be a very great hardship on a farmer going into a farm at Michaelmas that he should have to pay down at once the half year's rent due at Lady Day. Take a 500*l.* a year farm, he would have to pay 250*l.* and be out of that for all that time. I think that it is a far greater hardship upon him than the liability to the right of distress.

20,220. Is not it a far greater hardship upon a trader who risks not merely the interest of his money but his principal when the landlord is securing 20*s.* in the £ for himself?—The landlord has only one year.

20,221. Is not it one year and a half?—But it is not fair to compare the two things. The trader's business is a commercial speculation, and the other at the utmost is a mere interest of money. The man runs the risk and takes that into consideration in what he charges.

20,222. Is not farming a more commercial business than it was 50 years ago?—I do not think that it is more a commercial undertaking as regards the taking of farms between landlord and tenant than it was in other days.

20,223. You admit that the abolition of hypothec is good and yet you do not admit that this law should be abolished in England?—I did not admit that the abolition was good, but what I did say was good was that your Scotch procedure as regards notice and so on is better.

20,224. Would not you be inclined to bring the distraint down to six months as a compromise; would not that benefit the trader?—I think the trader can look after himself. I am looking at these things to-day entirely from the point of view of the farmer and landlord. I think the trader can well look after himself.

Freedom of sale and cropping.

20,225. So can the land agent. Regarding the tenant in the cultivation of his land I think you say you are willing to give him a free hand?—Yes.

20,226. To crop as he likes?—Yes.

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20,227. And to sell the produce of the farm as long as he keeps the land clean and in good condition?—That is quite right.

20,228. Is that your idea?—That is my idea.

Condition of farm at end of lease.

20,229. And you would entail upon the tenant to leave the farm at the end of the lease in a regular rotation?—I think that would be better than the mere obligation to leave it clean and in good heart and condition. But to leave it clean and in good heart and condition would be sufficient in my opinion.

20,230. But he might crop the land in such a way as to leave the incoming tenant at very great disadvantage in not entering into grass or fallow?—It would be preferable that he should leave it in the ordinary course of cultivation prevalent in the neighbourhood.

20,231. Both as to cultivation and regular rotation?—Quite so.

The Agricultural Holdings Act.

20,232. As to the Agricultural Holdings Act I must congratulate you upon that; undoubtedly you are uncommonly sound upon it?—I am very much obliged to you.

Claims and counter-claims.

20,233. You think that the counter-claim of the landlord has rather frightened the tenants more than anything?—I rather think so.

20,234. And you would like to see it abolished and simply have a claim upon the dilapidations and a claim for increased fertility?—Yes, I should say so.

20,235. Some person must set the Act in motion?—Certainly.

20,236. Would you make the tenant or the landlord do it?—Either.

20,237. You are satisfied that it is clear and district before your mind that the claims should be made on the same day?—If they can be, or as near as possible.

20,238. Is not one party handicapped if the other sees the claim before him?—Yes, but that is the case in other matters.

Official referees.

20,239. Referring to the special official referee, you see no difficulty in securing a strong man in each county, or a few strong men in each county to arbitrate or give decisions upon that important question of compensation for improvements as well as for dilapidations?—I see no difficulty.

20,240. How would you appoint the official referee, leave it to the parties or to the county council to name him and send the nomination to the Board of Agriculture to be approved by them?—I think so. Of course you could not expect the Board of Agriculture to have sufficient local knowledge in the first instance, so that you must have names submitted to them, and I suggest that the county councils should first nominate the referees because they would have the local knowledge, when the names had been sent up, it would be incumbent upon the Board of Agriculture to make inquiries and see whether the persons named were fit and proper, and if they were then the Board of Agriculture should give them its license or certificate. And all references or arbitrations should go to them in regular rotation like the official referees in the courts.

20,241. Would you draw these official referees chiefly from agricultural men who are thoroughly grounded in agriculture in all its departments?—Clearly so.

20,242. Those men would get thoroughly well-trained and become expert in deciding disputes upon this point, would not they?—That is my idea.

20,243. I think you said you would do away with the schedules?—I should prefer to do away with the schedules.

Agricultural education.

20,244. Then you touch upon a very important matter which is perhaps difficult to work, and that is the agricultural education?—It is very difficult indeed.

20,245. When you were mentioning the creation of farm schools, had you in your mind that that principle is being carried out beneficially in Canada?—Now that you mention it, Canada is a very good example of that.

20,246. You know that in their agricultural education in Canada and in some other schools they have land connected with the college or school, and the young go out and work in the fields, and they are paid in proportion to what they do?—I have read accounts of the Canadian schools, but I had in my mind the French schools chiefly.

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20,247. Cirencester College, where your son has come out with honours would be a little too expensive, would it not?—Clearly Cirencester is far too expensive.

20,248. So that your idea of that would be much on the same lines as the Canadian schools?—Yes; do not misunderstand me, I think Cirencester ought to remain as it is and be officially recognised, so to say, as a head college over all those others that I advocate.

20,249. I do not know how you are situated with regard to schoolmasters in England, but we in Scotland have parish schoolmasters who have been coming up to Kensington every year to take diplomas, and now they are getting expert in following out the scientific business of farming and the general working of it, and they impart this information to their pupils?—Certainly; and in the last two or three years we have advanced so far that agricultural education is a subject which is taught in our elementary schools and for the teaching of which they get a grant. We have improved so far. And at the present day in several counties with which I am familiar, the elementary schoolmasters are being taught in order that they may themselves teach agriculture and so get the grant.

20,250. Of course you will recognise the difficulties in the matter, I mean the one of money?—Of course money is the difficulty in the matter, I agree.

20,251. You talk about having 200 acres; do you not think as an experiment that a small farm of half that size would do?—When the Chairman said 200 acres I did not mean to commit myself to that sized farm. I think 50 acres would be enough to begin with. The smaller you begin a thing the more likely it is to succeed.

20,252. As much land in connexion with the college as would keep a pair of horses to do the general work, would that do?—Something of that sort.

20,253. (*Mr. Gilmour.*) Do I understand that this school farm would be the top of the technical education in the county?—Yes.

20,254. What would be the particular use of these schoolmasters acquiring knowledge that a good many of them now have? Would you propose that they should teach elementary agriculture in the ordinary school to the younger children before they leave that school?—Yes. I have advocated that for a long time; but it must be purely elementary; as I have put it on more than one occasion, I do not see why you should teach children about an elephant and a boa constrictor and not teach them about a cow and a pig. A boy in after life will not have to do with elephants and boa constrictors, but with horses, cows, and pigs. Let him be taught all about horses and cows and pigs in an elementary way at the school.

20,255. Of course it can be, but there would be few lads who could possibly attend farm schools such as you speak of?—Certainly, it would only be a few lads. Mind you, I would not have a long course at the farm schools; I should let it be a short course. In Cheshire, where my boy has been during the last year, one term ran from Michaelmas to Christmas, and another from Christmas to Lady Day.

20,256. Therefore those boys when there to really derive from it any benefit, must have had some education from these schoolmasters in the different classes?—They must have had some, but not very much.

20,257. Has there been great difficulty felt in carrying on those agricultural classes owing to the want of secondary education coming in between the time the boys have left school and their attending these technical classes?—Undoubtedly.

20,258. For the furtherance of this agricultural technical work they ought to be distributed, to a great extent, over the country?—I think so. That was one of the reasons why I complain that there is no one on the Secondary Education Commission who has really taken this subject up.

Condition of farm at end of lease.

20,259. With reference to that other question which Mr. Clay spoke about, I understand that you now consider that at the end of leases it would be much better to leave the farms in a certain rotation, and that that would be a great guide to the valuers?—I think so on the whole.

20,260. Would not it be rather a difficult thing to judge the condition of a farm at a Martinmas entry; if

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you had not some such rotation laid down?—I presume we agree, at any rate, in this that the inspection of the farm must be at the same time of the year at the beginning and end of the tenancy, in order that a proper valuation may be made.

20,261. But in a country where the entry is at Martinmas in November, the valuation generally comes on in a very bleak time of the year when it is difficult to tell the state of the land?—There is that difficulty. Still, I think you can tell pretty well, even in November, how the farm is left, what the cultivations are, and whether they are all right. Of course, Martinmas is a bad time, Michaelmas is better.

20,262. You have the crop put before you in a certain way, in the stack yard which would be a most practial guide?—You have that.

20,263. You mention in your statement that the tenant should keep and leave the land clean and in good condition?—Certainly.

20,264. Now that keeping seems to me to entail a continual overlooking of the farm which is, to a certain extent, objectionable?—It is; but it need not be made objectionable. I have heard people say that it is very objectionable; still I do not think it need be made so. On a good many estates I found when I was about the country in 1879 to 1882, that it was done especially on large estates. There are two ways of doing the thing. If the agent goes to the farmer and says, "I am going "to see how these things are," in an imperious sort of way, that is one thing; but if he comes in a friendly spirit and has a ride round with the tenant, and sees how things are going on, it need not be objectionable.

20,265. Your plan would entail something of that kind being done, would it not?—There must be something of that sort. But, mind you, the bulk of English farmers—I am sorry to say I do not know much about Scotch farmers. I wish I did—but as far as I know English farmers, as a rule, are honest men, and do not take farms for the purpose of running them out, or wrecking them; and it is as much to their interest to do a farm well as it is for the landlord's interest.

Land under settlement.

20,266. (*Mr. Little.*) You mentioned the Settled Land Act as having given the landlord more facilities for improving the land. Have you found any difficulty from it being necessary to create a trust where the settlement does not give the trustees the power to sell?—Do you mean this, that where there are no trustees with a power of sale application must be made to the court to appoint trustees?

20,267. Yes?—That is so; and the reason of that is this: that you must have some hand to receive the money; and if the testator, or settlor, has appointed two or more persons, and made them his trustees, and given them a power to sell, it may be presumed that he considered them fit and proper persons to receive the sale moneys; but where he has not done that, there is no person who is a fit and proper person to receive the sale moneys, and therefore you must go to the court to get such persons appointed.

20,268. And on small properties that might prevent the use of the Act?—No, it is a very cheap procedure, it is all done in chambers.

Condition of farm at end of lease.

20,269. On the subject that Mr. Gilmour was asking you about, you would have a condition to keep and leave the land clean. Would not the condition of leaving the land clean and in good condition imply that it should be in a condition that a tenant would go on with it?—Probably it might.

20,270. But in a yearly tenancy it would be impossible to bring the land round in particular rotation?—Certainly.

20,271. But there the landlord would be safeguarded by words to keep and leave the land in a good state?—Yes.

20,272. I do not know whether you would impose this by law, or leave people free, assuming there are contracts on that point?—I think that you should leave people free to make contracts. But my idea is that an Act should be passed which should imply this obligation in all agreements.

Freedom of sale and cropping.

20,273. But still you would not force the landlord and tenant into this position of the tenant growing what he pleases and selling what he pleases?—No, I should not enforce that.

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20,274. I think one of your arguments in favour of this greater freedom is that those restrictions are not effective?—No, they are not effective.

20,275. They do not make people farm well?—No.

20,276. And do not prevent them farming badly?—No.

20,277. They are not strictly adhered to at the present time?—Certainly not.

20,278. But they become the subject of a claim frequently when a tenancy ends?—That is so.

The Agricultural Holdings Act.

20,279. With regard to the Agricultural Holdings Act, I think your evidence is to the effect that there is a prejudice against putting the Act into operation?—I think so.

Claims.

20,280. And that principally on account of the counter-claim which is invited or provoked?—Partly on that account. I would not say principally, but I think on that account and on account of the technicalities surrounding the Act.

20,281. You desire to shorten the period of claim, but I think I understand you that you do not think a specific claim absolutely necessary?—No; I do not.

20,282. Not a claim in detail?—Not a notice; pardon me.

20,283. I mean a claim by notice?—Yes.

20,284. You do not think it necessary that a tenant who intends to claim should give his landlord notice of what he intends to claim for before the termination of the tenancy?—No.

20,285. In Lincolnshire no notice of the claim is given?—None at all.

20,286. Under the custom?—None, whatever.

20,287. I think you said that a great number of tenants made no claim. Do they get no compensation where they make no claim?—Well, I do not think that the tenants get much compensation now-a-days.

20,288. Where they are entitled to it?—Yes, they do.

20,289. I mean where they do not claim. Are you aware that in hundreds of cases arbitrations are made under the old customs?—Yes; lots of cases.

20,290. In disregard of the Act?—Yes.

20,291. And in contravention of the Act?—In contravention of the Act? certainly in disregard of it.

20,292. Is it not provided that the tenant cannot claim for certain things when the compensation is given under the Act?—Yes.

20,293. The valuations are going on every day under the old customs, notwithstanding that proviso?—Certainly.

20,294. And tenants prefer that system to the more complicated system of the Agricultural Holdings Act?—I think so.

Official referees.

20,295. You desire to see the procedure simplified; but I gather that all you propose is the appointment of a single referee?—A single referee.

20,296. Your idea is that an official referee should be the single referee under the Act?—Certainly.

20,297. And that there should be no choice by the parties as to the official referee from a particular list, but that they should be taken in rotation?—I think that the system of rotation would be the better plan. Of course, there is a great deal to be said for the other point, that is the choice of the parties; but I think on the whole official rotation would be the better plan.

20,298. Then you would have the county council name a certain number and the Board of Agriculture accept or reject?—Certainly.

20,299. That would be throwing on the Board of Agriculture a rather difficult task, would it not, to reject men who have the confidence of the county council?—That would depend a good deal in what form it was made. There might be a large number sent from which to choose, and then it would not be.

Law of distress.

20,300. (*Mr. Dalton.*) If the law of distress was abolished as regards farms I suppose it would have to be abolished also for houses and other property; or do you think you could draw a distinction?—It would be rather difficult to draw a distinction, the distinction that occurs to one on the spur of the moment is that the whole of the farm is used for the trade and business, and houses are used only for habitation. But then, again, that would not apply to

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the cases of warehouses, shops, and other places used for business purposes.

20,301. You think it would have to be universal?—I think it would have to be.

20,302. Then taking first the case of farms. What effect do you think it would have upon the rent? Do you think the rent would have to be paid beforehand?—I think the rent would have to be paid beforehand.

20,303. And that it would be a lower rent?—I do not know whether it would or not; theoretically it should be of course, but I am not quite sure whether it would have that effect.

20,304. In the case of houses the rent is usually paid quarterly?—Yes.

20,305. I suppose it would make very little change in the rent of houses?—I do not know.

20,306. What do you think would be the effect of the abolition of the law of distress in the case of houses?—I think in the case of small tenancies, it would make a very great difficulty.

20,307. The rent would have to be paid beforehand by small tenants?—Yes.

20,308. And to a small tenant it would be a great hardship to have to pay his rent before he got his wages?—I think so.

20,309. But in the bulk of large house properties it would probably make no difference whatever?—In the case of the ordinary house I do not know that it would.

20,310. Or large business premises?—No, the rent is such a very small proportion of the outgoings of a business.

20,311. It would probably have a very much larger effect in the case of a farm where the rent is not paid for a year after the man enters into occupancy, than it would have in the case of a quarterly tenancy?—I think it would.

20,312. You do not feel at all sure of the effect it would have upon the rent of the farm?—Not as regards the amount.

20,313. But you feel sure it would have to be paid beforehand?—I feel pretty confident upon that.

20,314. That would keep the farmer with a small capital from taking a farm?—I think it would.

20,315. Might it lead to the land going out of cultivation for want of capital?—That is putting rather an extreme view; it might.

20,316. It would tell more severely upon a small capitalist than it would upon a large one?—Yes, it would.

20,317. (*Mr. Lambert.*) About this question of law of distress; you said that the trader might get paid for his goods before delivery?—Yes.

20,318. Would not the tenant get his goods cheaper if he paid for them before delivery?—Yes, I think so.

20,319. Would the same law apply to the landlord?—No, I think not; as I tried to explain, and the different nature of the property that is dealt with—the land in the one case and the goods in the other makes a material difference.

20,320. Do you think it would affect the man with plenty of capital, the abolition of the law of distress?—It would not affect the man with plenty of capital very much—not directly.

20,321. Is it not desirable that men should have capital for farming?—Yes, in everything.

20,322. You said that the landlord would make it easy for the tenant. Is it not desirable for the two to come to a fair bargain, that the landlord and tenant should meet on equal terms, and that the landlord should not have this clutch upon the tenant in the form of arrears of rent?—But it is impossible for people to meet on quite equal terms. You would have to go to Utopia to get that.

20,323. I believe that the tendency of legislation is to endeavour to make people meet on equal terms?—It may be so.

20,324. But is it true that legislation is endeavouring to protect the weak against the strong—to put it in popular parlance?—Not in cases where people are competent to take care of themselves, who are *sui juris*—in the case of children it is different.

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20,325. But where a tenant is in arrears of rent he is not competent to bargain?—I thought you were putting the case of a farm under ordinary circumstances. Of course, if anyone gets into arrears, whether in arrear with his rent or with interest on his mortgage, or he gets into debt to anybody he is not on equal terms with his creditor. The poor unfortunate man who wants to get a coat and is in debt to his tailor—the fact of having a long bill to pay does not help him.

20,326. Is not it desirable that there should be no encouragement to such a state of things as to produce that?—Undoubtedly; but I do not think that the law of distress produces that.

20,327. It tends to allow the farmer to get into arrears of rent?—No, it tends to allow the landlord to give the tenant time, and it tends very much to allow the tenant to tide over a period of misfortune.

20,328. In your own experience, do you know of any cases where tenants have got into arrears of rent, and where they have been unable to wipe off those arrears?—Yes.

20,329. Within the last 10 years?—Yes.

20,330. Could you give us many instances?—I object to give names. But in the case to which I was alluding, where the law of distraint was exercised last spring, the tenant has paid up every sixpence, and when he went out the landlord, although they allowed every other tenant 20 per cent. remission, allowed this tenant nothing, He paid up in full.

20,331. You said that that honest man was irreparably injured?—He was irreparably injured in his character.

20,332. Is it not advisable to get any legislation that would do away with that irreparable harm?—I have suggested a plan by which the benefits of the right may be retained; but the method of enforcing it, which caused this, what I call, irreparable wrong, may be avoided.

Encumbered estates.

20,333. In your statement you say: "If the landowner is not heavily encumbered." Is it a fact that a great many landlords are heavily encumbered?—It is very difficult for me to state that as a fact, because I do not know.

20,334. Is it your opinion that a great many landlords are heavily encumbered?—In common parlance, as you put it, and so far as my experience goes, a great many are encumbered.

20,335. They are encumbered, and that does not allow them to do what they like with their own land?—I do not say that they are so heavily encumbered as that.

20,336. A good many of them are not improvers of their property, but mere rentchargers?—Then a man must be heavily encumbered.

20,337. But when heavily encumbered it tends to that?—Yes.

20,338. And for the better cultivation of land the less encumbrance the better?—The less heavily encumbered—of course, there is a margin of encumbrance—the mortgagees will take the first charge on the land, and if there is a good margin, they do not trouble further.

20,339. But it is desirable in the interest of good cultivation to discourage the heavily encumbering of land?—Of course.

Land under settlement.

20,340. You say a good tenant farmer is more secure on a settled estate than on an unsettled estate. You attach a great deal of importance to being secured?—Undoubtedly, we all want security, but I draw a distinction between security and fixity.

20,341. I do not read that you advocate fixity of tenure?—No, I do not.

20,342. Assuming that a tenant had taken a farm of 120*l.* a year rent, and had made it by his own improvements worth 150*l.* a year at the end of the tenancy; and if you are farming upon a yearly tenancy, and the landlord should say that he must pay the extra 30*l.* a year (which the tenant had himself obtained by his own enterprise), or he must quit the farm, would you give the tenant compensation for disturbance in that respect?—Not for disturbance, but for the enhanced value.

Compensation for disturbance.

20,343. You object to compensation for disturbance?—Yes.

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20,344. And you do not attach sufficient interest in the security as to give compensation for disturbance? No; I would not give compensation for disturbance.

20,345. And you would allow the landlord to disturb the tenant when he pleases as long as he pays the full value of his improvements upon the estate?—It should be left to the ordinary law of 12 months' notice.

20,346. I believe you advocate two years' notice?—Yes, I prefer two years' notice. I think that the best form of tenancy, after a lease.

Tenants and occupying owners.

20,347. Then you say that a tenant farmer is in a better position than an occupying owner. If a man is an occupying owner and has capital enough to farm his land, is not he in a better position than the tenant farmer?—If the man owns a farm and has sufficient capital, ownership is the best but in all these cases we must consider what the ordinary circumstances are, viz., that people have only a certain amount of capital, whether they are farmers, or what not. Supposing a man commences life with say 5,000*l.*, and goes into farming, it is better in my opinion for him to be a tenant and invest 5,000*l.* in the farming stock and the other things required on a farm than to spend part of that sum in land and only have the remainder for the farm.

20,348. If a farmer had 5,000*l.* of capital and paid for a farm 2,500*l.*, and he used the other 2,500*l.* to cultivate it, he would then be in a better position than the farmer with only 2,500*l.* to cultivate another man's farm which was worth to the other man 2,500*l.*?—Given the man with the 5,000*l.* he had better take a farm as a tenant and have his 5,000*l.* free to farm with than buy a farm with 2,500*l.* and have the other half for farming.

20,349. But you do not suggest that the owner can farm land better than a tenant?—I did not mean to suggest, if you put the question of capital entirely out of sight, that the owner is not in a preferable position; but I say the tenant is in a preferable position under ordinary circumstances.

Leases.

20,350. Why are leases not popular?—Because I think times have been so bad, that tenants do not like to be tied down.

20,351. They are afraid they are going to be charged too much rent?—They think if a rent is fixed now they cannot tell how they will be able to pay it 20 years hence.

20,352. But 20 years is rather a long term?—Take seven years.

20,353. That would be rather an argument for a court of appeal for a revision of rent?—No; I do not go in for a court of appeal for revision of rents. I do not like it at all. I like to put each man on a par. What I have said is a great reason for there being no leases, but it is a fact that before these bad times leases were not very much cared for. You will find, if you read this old report of mine, that in Lincolnshire and many other places farmers would not touch leases.

20,354. Because they had a custom of tenant right?—Yes.

Compensation for improvements.

20,355. You say in your report, that is, the report you presented to the Duke of Richmond's Commission, that any improvement made by a tenant whereby the letting value of the farm has increased, compensation should be paid to the tenant on the termination of the tenancy. Are you still of that opinion?—I am not quite sure as to the letting value, whether it ought not to be the whole value. I am not sure. I do not know whether it would not be better to leave out the word "letting."

20,356. I want to know whether you would estimate the compensation upon the outlay or upon the value to the holding?—Upon the value to the holding.

26,357. You think that would be a fair protection to the landlord?—Yes.

20,358. And if a man laid out money on a farm without the consent of the landlord he should be compensated at the end of the tenancy if that outlay added to the value of the farm?—Undoubtedly.

20,359. And you would not have the written consent of the landlord in that respect?—No.

Official referees.

20,360. You advocate the appointment of official referees, I think?—Yes, for this reason; that I want the person who determines the question of compensation to be as strong a man as possible; to be a man as well qualified as possible, and I want, if possible, to get rid of the class of valuers who have had no education, and very often no practice in that way. I want a really good class of man, and I do not know how you can get that in a better way than I suggest, and I also want it for the purpose of simplifying the procedure.

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Compulsory valuation.

20,361. Would you, or would you not, in the case of a claim up to 200*l.*, make it compulsory, at the option of one or the other, that the compensation should be estimated by one valuer, and should not be left to two valuers and then an umpire?—I would in every case.

20,362. You would make it compulsory?—Yes; I cannot see the good of the two or three men.

20,363. I quite agree; but I want to know your opinion?—That is my opinion.

Free sale of improvements.

20,364. And then you object to the free sale of improvements?—Yes.

20,365. But that only applies as far as putting them up by auction you mean; but you would give to the tenant the whole value of his improvements on the farm?—Certainly.

Changes in system of farming.

20,366. In your experience do you think that there are any other changes whereby farmers themselves can meet this depression in agriculture by adopting different modes of cultivation and producing different commodities?—No, I think not; speaking generally, that can only be done in very favoured localities.

20,367. Has your attention been drawn to the working of the Ground Game Act?—Not specially. I have read and heard people talk about it but I never made any inquiries. It was only passed a short time before my Report to the Duke of Richmond's Commission was written.

20,368. (*Captain Owen Thomas.*) I understand you are here to represent the Farmers' Club as well as yourself?—Certainly.

Tribunal for fixing rent.

20,369. I understood you to say in reply to Lord Cobham to-day, and you also referred to it in answer to Mr. Lambert, that you are not in favour of rents being fixed and registered by any outside authority?—No.

20,370. May I ask has this matter been discussed by the Farmers' Club, and is that their opinion?—Yes, we had several discussions on it in the days of the Farmers' Alliance, that is from 1880 to 1883 or 1884.

20,371. (*Mr. Lambert.*) Have you had discussions on it lately?—Yes, but not so frequently as then.

20,372. (*Captain Owen Thomas.*) You are of opinion that this matter ought to be settled between the landlord and tenant?—Certainly.

20,373. You say that the sitting tenant is in as good a position as to the re-adjustment of the rent as the landlord is to refuse him that re-adjustment?—Not quite; no.

20,374. Can you tell me how rents are generally fixed?—By "the higgling of the market"—supply and demand.

20,375. Not by the agents?—Ultimately the agents agree to the rent, of course; but the two parties agree.

Agents.

20,376. Is it not a fact that large estates in England and Wales are managed by solicitors and others who have no knowledge of the value of land?—I think that there are some such cases still left; but I think that practice has fallen into desuetude.

20,377. How can you expect tenants to be fairly treated if such men are agents?—You must not think that all solicitors are bad.

20,378. I have estates in my mind, and that is the reason I am asking this question. Of course, I should like to know how those tenants are to be fairly treated by their agents and landlords?—You mean where there is a land agent of that description?

20,379. Yes?—All I can say is that the tenants have it very much in their own power. They are in many parts of England masters of the situation. The landlords are only too glad to get tenants, and if the tenants only stand firm they are much more likely to succeed than the landlords.

Reduction of rent.

20,380. But you know very well there are tenants paying 10 to 20 per cent. more than the real actual value of their land, because they know very well it would be perfectly useless to apply to their agents who are really ignorant of the value of the land, and who would not sympathise with them. What are they to do?—Go to the landlords personally. My experience is that if a tenant goes to the landlord personally he very often overrides and overrules the agent. I have known a case in which a widow went to a duke

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right past his agent. She would go and see the duke, and the consequence was that she got her rent reduced and had a fresh lease granted her; I think the rent was reduced from 800*l.* to 600*l.*

20,381. But all landlords are not lords and dukes?—No, that is an extreme case. If a widow can go to a duke, an ordinary tenant can go to an ordinary landlord. That is *à fortiori* the case.

20,382. But I know of a very large landlord and his tenants have gone to him, and of course it is plain to everyone that these men are paying 20 to 25 per cent. more than the real value of the land. The man is perfectly ignorant, and he says, "That is the rent, and "you must pay it, and if you do not like to pay it you "may go." If these men go, and get no redress, what can they do afterwards?—Let them threaten to go.

20,383. They have done so?—Let them go. You may depend upon it that the landlord will not let them go; not in the present day.

Land courts.

20,384. Will you admit that there is a growing feeling in England in favour of land courts?—No.

20,385. You do not?—There may be in Wales, I do not say; it is a long time since I had anything to do with Wales.

Agents' salaries.

20,386. Do you know whether some agents' salaries are based upon the amount of rents received?—I do not know; it is a delicate matter to inquire of an agent how he is paid.

20,387. I do not think that it is?—I know that I should not like to ask the question.

20,388. I suppose you are aware of the great difference between the wholesale price and the retail price of farm produce?—Yes.

Price received by farmers.

20,389. I was going to ask you whether you think that the farmers get the fair proportion of what a consumer pays?—No. I have long thought that they do not.

20,390. Have you personally thought on this matter?—Yes; and we have fully discussed it at the Farmers' Club. We had a capital paper written on the subject by Mr. Jenkins, the late Secretary of the Royal Agricultural Society; and the issue of that was that a company was started for the sale of farm produce in London. It was a company that was extremely well backed up both by money and brains; and in that you will agree when I tell you that it included Mr. Burdett Coutts, Mr. Pell, Mr. Faunce De Laune, and Lord Wantage, and that the manager was a well-known gentleman whom you may perhaps have as a witness before you here. But with all the money and all the brains, and the care and trouble they took, they failed. My conclusion is that it is a more difficult matter to bring about than people who have not tried it think.

20,391. (*Viscount Cobham.*) Is there not a company in London now of a similar character that is doing very well?—I am not quite sure whether it is *bonâ fide*. There is a company under the name, "The Farmers' Produce Company." They advertise very much, but whether they are paying well or are *bonâ fide* I do not know. Just about the time that I am speaking of there was a number of other companies started under similar names, but when one came to inquire into them they were simply people who adopted those names. I remember another that had a shop in Tottenham Court Road for dairy produce, but they I believe also did not succeed.

Societies for protection of farmers.

20,392. (*Captain Owen Thomas.*) Do you not think it would be a good thing for societies to be formed so as to protect farmers when buying their manures?—But they can do that now, a number of those societies is in existence.

20,393. But as a rule they seem to come to grief?—In Lincolnshire they have a very flourishing one, and also on the Cotswolds; and there are others too. I think the farmers can do that themselves. There is the Yorkshire association of clubs which do that. There are a number of them, and they are capital institutions. There is nothing to prevent the farmers doing that, and it is an excellent thing that they should do it. If landlords could assist in the formation of such an association in a county or district it would be a very great advantage to their tenants.

20,394. Do you think that the land is very much crippled for want of capital?—Yes, I do.

20,395. I was going to ask you which, in your opinion, has suffered most, the landlords or tenants during the last 20 years. Who has lost most capital comparatively?—You mean rateably?

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20,396. Yes?—I do not know; it is a very difficult question to generalise upon.

State loans.

20,397. Do you think it would benefit agriculture if the State advanced money at a low rate of interest to facilitate improvements and such things?—I think so; but that may be done under Drainage Acts and the Lands Improvements Acts now.

20,398. But not by the State—that is by the companies?—Yes.

20,399. But you know what high interest they charge; the State would charge a much lower rate of interest than those companies?—Yes, I think it would be a good thing. But loans were made originally by the State, I believe, and then this other plan was adopted.

Encumbered estates.

20,400. Do you think there would be much demand for State loans if they could be got for reasonable interest, say 3 per cent.?—I think there would be.

20,401. (*Lord Rendel.*) I observe you say that if a landowner is not heavily encumbered it makes no difference from the agricultural standpoint whether his land is copyhold or freehold tenure. I presume you have taken into account the difference between a landlord holding on a fee and holding on a life interest only?—I do not think I entirely understand your question.

20,402. I wanted to ask you this question on that: whether you have taken into consideration the fact that encumbrances which would be very light upon the fee would be overwhelming on the life interest?—Of course the same amount of encumbrance secured by the fee would be much lighter in proportion than when the same encumbrance was secured by only a life estate. That is so. But I do not think I quite follow your question.

20,403. I think I may make myself a little clearer by asking another question. You have already stated that it is impossible to do otherwise than roughly estimate the extent to which landlords are at the present day encumbered?—Yes.

20,404. But you recognise the fact that they are encumbered?—Yes.

20,405. And the suggestion is that the present forms of land tenure and the existence of settled land to so large an extent do not materially injure the interest of agriculture, but you make exception for the case of estates heavily encumbered?—Yes.

20,406. My suggestion is this: Have you considered that an estate which would not be heavily encumbered if it were not held in fee might be very heavily encumbered if held in settlement?—The tenant for life would only pay the interest on the encumbrances.

20,407. The tenant for life if he raises money himself must secure by insurance?—Certainly.

20,408. Consequently a life tenant who was once encumbered very easily reaches the end of his resources?—Undoubtedly. I quite agree with you, we must use the expression heavily encumbered, that I have used, with regard to the estate that the owner has in the land. Of course, if he is the owner in fee he can raise much more money upon the estate, that is to say, more heavily encumber it, than if he is the owner of a life estate, because in the latter case he can only mortgage or encumber his life estate, and secure that, as you say, by insurance.

20,409. Then it is conceivable that this exception may be a very important one indeed that you yourself make—heavily encumbered may be a very important matter, and have a very wide effect?—You must take my words "heavily encumbered" with reference to the estate, or rather the interest that the person has in the land encumbered. I admit that whether in fee or tenant for life, if his interest is "heavily encumbered," and by heavily encumbered I mean encumbered to a very great extent, he is in a bad position; but until the encumbrance reaches that I do not think it matters, from an agricultural standpoint, whether he is owner in fee or whether he is tenant for life.

20,410. Except that the encumbrances being an element in the case, from your point of view, the life interest is very much unfavourable?—To the owner clearly, because he cannot raise so much money upon it.

20,411. And, therefore, to the agricultural interest?—Would that be so? I do not think so. He cannot raise

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so much money. But I qualify that by saying if the owner is not heavily encumbered.

20,412. Therefore he has not the power to treat in the administration of his land?—If the fee is heavily encumbered—if the fee is encumbered up to the margin—he is in a bad position from an agricultural point of view; if the tenancy for life is encumbered up to the margin, he is equally so. If neither the fee simple nor the tenancy for life is encumbered up to that margin he is not; therefore it makes no difference whether the owner is owner in fee or tenant for life.

20,413. And if the great bulk of the land is already held in life interest only then this exception that you make of encumbrances has a very wide area, and a very important significance?—Of course, if estates are widely settled it has a wide area. But I am afraid we are now at cross purposes.

20,414. You are so clear that I quite understand your point. You are dealing simply with the relative position of fee and life; and I am endeavouring to extend the importance of your exception to the life interest, and to make it apply to the unfavourable effect of a settlement upon the agricultural interest?—Yes; of course, the encumbrances. On settled estates, as a rule, are encumbrances upon the inheritance, that is, upon the fee, and the tenant for life keeps them down; and I must acquiesce in your view to this extent, that it may happen that the tenant for life of an estate where there are heavy charges for jointures, portions for younger children, and so on, may more readily and easily be in the position of what I have called "heavily encumbered," than the tenant in fee simple.

20,415. That is all that I wish to make out. I did not seek to reverse any opinion, but only to modify to some extent what you expressed so clearly?—Quite so.

20,416. (*Viscount Cobham.*) The successor of the limited owner would be less likely to be encumbered, would not he?—It is possible.

20,417. The settled estates cannot be mortgaged. It is only life interest that would be mortgaged?—But, then as I say, so many charges are on the inheritance. You have terms of years, vested in trustees for the purpose of raising money on the inheritance for the family charges invariably, and also very often for permanent improvements.

Tenants and occupying owners.

20,418. (*Lord Rendel.*) Take the next point; you say that a tenant farmer is in a better position than an occupying owner, seeing that he obtains a portion of his capital from the landlord?—That is my idea.

20,419. The system, I suppose, of letting the land is favourable also in this respect to the landowner, is it not; does it not widen the competition for land?—Yes, I think it does.

20,420. You would be willing to put that on the other side, that the system of letting land to men with inadequate capital to farm it is one favourable to increase the competition for land?—Yes.

20,421. And to that extent it is favourable to a slight increase of rent?—Yes, to a certain extent, of course. It is also favourable to the landlord, and also favourable in that way to the general community.

20,422. So far as a landowner is induced to take the lower interest in the shape of rent on his capital in the shape of land from a consideration of the amenity value of land, its social and political value, so far the tenant gains an advantage?—Yes, I think so.

20,423. And these amenity values dwindling the tenant would lose the advantage, I presume?—I suppose he would; I think that would follow.

Leases.

20,424. You advocate a lease, but you admit that leases are not popular?—Yes.

20,425. I suppose that so far, recognising that a lease is a desirable thing in the interest of agriculture, and that it is not usual on the tenant farming system, that would be favourable to occupying ownership as far as it goes?—I do not quite follow that.

20,426. If you recognise that leases are desirable, but they are not possible, you would, I suppose, admit that an occupying ownership is preferable?—Do you mean if the lease was preferable that therefore occupying ownership would be so too?

20,427. I say if it is in the interest of agriculture that it is desirable that there should be leases, but in the practical working of the system at present there cannot be leases; then to that extent occupying ownership has an advantage from the agricultural point of view, I presume?—I cannot see how it follows at all. The tenant who takes a lease or has a lease granted to him, says, in effect, "If I lay out money on this "land, I can lay it out in such a way, and I will take "care that I do lay it out in such a way as to get a "return within the term of my lease." And that seems to me to be the best method of tenancy that can be adopted. But I do not quite see how it follows that an occupying ownership, as I understand you to say, is desirable.

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20,428. Not as an advantage from the point of view of agriculture?—Do you mean in this way, that, inasmuch as a lease is an ownership for a term of years, and the person who has the lease is the occupier, that therefore if you extend that in perpetuity and so make the lease become a fee simple and the occupier continue, it logically follows that the occupying owner must be in the most desirable agricultural position; is that it?

20,429. You are more ingenious than I am; I am treating these remarks in apologia for the existing system; that is to say, for the tenant farming system, and I wish to discover whether you recognise certain drawbacks. You admit that from the agricultural standpoint leases are desirable?—Yes.

20,430. You also admit that leases are not possible owing to the distaste for them on a broad scale. I then ask you that therefore, from the agricultural standpoint, occupying ownership has an advantage?—No.

20,431. You do not admit that?—No.

20,432. You do not see that the value which the lease system gives in tenancy is represented necessarily in an occupying ownership, and, therefore, if you lose that advantage in tenancy you give the advantage to the occupying ownership?—No, I cannot follow that.

Law of distress.

20,433. One question only upon distress. Is it not true of distress, that as it gives the priority and a special security for the landlord's debt, that it widens the competition for farms?—I think we must admit that it does widen the competition for farms.

20,434. I will not say in these days, but in more prosperous times would you not regard somewhat anxiously the extreme competition for farms?—Undoubtedly in the good times the extreme competition for farms did harm. That was one of the strong arguments used in the early days—I call them early, 12 or 15 years ago—when the subject was first brought before my notice of the abolition of the law of distress.

20,435. You recognise a very great depletion of farming capital at the present day?—I am sorry to say I do.

20,436. (*Mr. Clay.*) Was not it the enforced competition which the law of distraint produced which forced up the rents?—It is rather difficult to say. I do not think that it is fair to say that it forced up the rents. I do not think it was the law of distress that did that, but rather the great prosperity of the country, and the fact that so many people who knew nothing about farming, tradesmen and others, tried to get farms, because it was thought to be a comfortable and easy life.

20,437. I thought the law of distress has forced up the competition?—I do not think that it was caused by the law of distress.

20,438. (*Captain Owen Thomas.*) Was it not an inducement to men with no capital to begin farming?—It may have been an inducement to men who had not sufficient capital to begin farming—I must admit that.

20,439. (*Viscount Cobham.*) But it was not a main factor?—It was not a main factor.

Tribunal for fixing rent.

20,440. (*Lord Rendel.*) Your wide experience makes you strongly of opinion that the settlement of rent itself should be left between the landlord and tenant?—Just so.

20,441. But you recognise that there may be parts of the United Kingdom where the land hunger, the competition for the occupation of land is so great as to make you hesitate to form an opinion in respect to such localities?—Where the land hunger is very great it can be no hardship upon the tenant, the person hungering for the land, to keep it if he pays a high rent; he gets that which he wants, and he is willing to pay for it.

20,442. Then you regard the rent of a farm as the price which a man is willing to pay for it?—Certainly.

20,443. And in no sense as to the value of the land from the agricultural point of view?—I think it is the

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value which the man who takes the land considers that the land is worth to him, whether from an agricultural or residential, or sporting, or other point of view.

20,444. But land hunger generally implies something more, does it not, than an economical consideration of the value of land?—Yes, I think it does.

20,445. And therefore in such a case rent might include something more than the economical value of the land?—Yes; but if a man to gratify his own wishes or sentiments, for some sentimental reason wishes to get hold of a piece of land, the value of that land to him is the economical, plus the sentimental, and he must pay the economical plus the sentimental value. I fail to see any hardship upon that man.

20,446. As you are stating the sentiment, the sentiment is a luxury?—Undoubtedly, the land hunger that one hears and reads of is a luxury.

20,447. As a matter of fact it might not always be a luxury; it might be something more than a luxury?—It is a luxury to the individual.

20,448. It might be the price of existence in some cases?—Then agricultural and economical value at once go if it is the price of existence.

20,449. Might not the occupation of land be in many parts of the United Kingdom a necessary adjunct of some trade or calling with which the landlord had nothing to do, but which was the price of existence of the tenant?—That would be an economical value to the tenant.

20,450. With which the landlord had nothing to do?—Then the would-be tenant must pay that, that would would be the economical value to that tenant.

20,451. At any rate you would define rent as being the price which any man is willing to pay to a landowner for the occupation of his land?—Yes, I think that is right; I do not like to be tied down to a hard and fast definition, but I think I can agree to that.

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20,452. You would not be willing to see the question of that price in any way determined by a third or outside party?—No.

20,453. On the other hand, with regard to compensation for improvements you would have a third party introduced?—Yes, that must be so, you must have a third party there because you have to determine what is to be paid for.

20,454. You are not unwilling that there should be intervention of an arbitrary kind, not determined by the landlord or by the tenant, but appointed independently for the determination of questions of compensation in connection with land?—If they cannot agree amongst themselves.

20,455. But you draw the line at rent?—Yes, I draw the line at rent. It seems to me to be on a totally different basis.

20,456. (*Viscount Cobham.*) Have you ever heard of a man wishing to become a small occupying farmer buying a small estate and giving an extravagant sum for it?—Yes, many a one.

20,457. Have you ever heard it suggested that there should be a land court restraining such transactions?—Yes.

20,458. Restraining the buying of land?—I have heard of such things.

20,459. Do you think that that would stand very much on the same footing as a land court restraining persons from offering an extravagant sum for the occupation of land?—Certainly. Very much on the same footing.

The witness withdrew.

Adjourned to Thursday, the 24th inst.

Thirty-eighth Day.

Thursday, 24th May 1894.

PRESENT:

THE RIGHT HON. GEORGE JOHN SHAW-LEFEVRE, M.P., IN THE CHAIR.

Viscount COBHAM.
The Right Hon. HENRY CHAPLIN, M.P.
Sir ROBERT NIGEL FITZHARDINGE KINGSCOTE, K.C.B.
ROBERT GIFFEN, Esq., C.B.
Captain OWEN THOMAS.
FRANCIS ALLSTON CHANNING, Esq., M.P.
JOHN CLAY, Esq.
CORNELIUS NEALE DALTON, Esq., C.B.
ROBERT LACEY EVERETT, Esq., M.P.
JOHN GILMOUR, Esq.
GEORGE LAMBERT, Esq., M.P.
WILLIAM CUTLACK LITTLE, Esq.
CHARLES WHITEHEAD, Esq., F.L.S.

HERBERT LYON, Esq., *Secretary*.
R. T. CRAWFORD, Esq., *Assistant Secretary*.

Mr. W. Lipscomb. 24 May 1894.

Mr. WILLIAM LIPSCOMB called and examined.

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20,460. (*Chairman.*) I believe you reside at Heath near Wakefield, in Yorkshire?—Yes.

20,461. You have been agent for the Savile estates in Yorkshire for a great number of years?—Upwards of 40.

20,462. You have either been President or Vice-President of the West Riding Chamber of Agriculture for the last 20 years?—Yes.

20,463. You are also a member of the Technical Instruction Committee of the County Council of Yorkshire and of the Agricultural Committee of the Yorkshire College?—Yes.

20,464. And you have been one of the Council of the Central Chamber of Agriculture for the last 20 years and have served on the committees appointed to consider Tenant Right questions, acting as chairman on the last two occasions?—Yes.

20,465. You are, therefore, thoroughly familiar with all questions affecting the Agricultural Holdings Act and the subject of Tenant Right?—Yes.

20,466. Will you hand in a report which has been presented by the committee appointed last February by the Central Chamber to consider what amendments are desirable in the Agricultural Holdings Act?—I believe you have already had copies.

The Agricultural Holdings Act.

20,467. Without going into the full detail of this report will you state the main conclusions the Committee have arrived at?—I may begin by saying that the prevalent idea of the men with whom I have been acting principally is that it is more desirable to amend than to abolish the Act in consequence of its having been so very largely introduced into agreements throughout the country—far more than the public are aware. Our first recommendation has reference to the initial clause in the Act with regard

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to the proviso affecting the inherent capabilities of the soil. You will see appended to the report a great number of suggestions from different parts of the kingdom where the affiliated chambers exist. We found that a great portion of these chambers recommended the abolition of that proviso.

20,468. I presume that your own opinion coincided with this report?—It does; I think that on the whole I may support every portion of it. I think I am familiar with the cause of the introduction of that proviso. The Act of 1883 substituted I might say rather an academic mode of valuation for the fixed basis of the Act of 1875. It was provided that the valuers were not to take into account what was due to the inherent capabilities of the soil. I believe practically that it has not at all safeguarded the interests of the landowner or of the incoming tenant, but that it has afforded an opportunity of cavilling at the Act unfairly. It was suggested by many that it operated injuriously to the outgoing tenant, whereas I believe it was inoperative and hence I concurred myself in removing what was a bone of contention.

20,469. I understand you do not object in principle to it, but you think that in practice it has operated ill?—It is stated to have operated ill, but I do not think it has operated at all myself. I believe it has been inoperative but it is constantly asserted by persons, who perhaps know more theoretically than practically, that it has operated as against the outgoing tenant. Therefore my own opinion was that as we received so very many suggestions from the provincial chambers it should be removed, that it was better to comply with their requirement.

20,470. (*Viscount Cobham.*) Do you consider that it is inoperative because it is superfluous?—It is not superfluous, if you take the concurrent words of the clause which left no guide to the valuer. The valuers must have a guide and although you have removed the basis they still go upon it.

The schedules: Parts I. and II.

20,471. (*Chairman.*) What is the next point to which you wish to draw attention?—The next part is the schedules, which of course have a very material bearing upon every valuation under the Act.

20,472. What are the main alterations that the Committee recommend, we need not go into all the details but there are certain principal topics which you might take?—There is a very good synopsis of the recommendations in the "Land Agents' Record" and it is rather brief. The principal alteration is removing from Part I. that which has been so enormously increased, namely, the laying down to permanent pasture; that is removed to Part II. and put upon the same footing as drainage. If you will kindly look at the schedules in the Act itself it will be more easy to see how it is proposed to alter them.

20,473. In the Act there is only one subject in Part II. of the Schedule, namely, drainage?—Yes, it is only drainage.

20,474. And you propose that several additions should be made to Part II.?—Yes.

20,475. Namely the improving of roads, the improving of watercourses, wells or reservoirs, the laying down of permanent pasture, the making of gardens (not exceeding one acre) the planting of orchards or fruit bushes—?—Not exceeding one acre—that is very material.

20,476. The making and planting of ozier beds also not exceeding one acre, and the reclaiming of enclosed waste land?—Yes, you will see that in Part I. we still retain some of these items which are enumerated. It is proposed to allow the tenant to plant orchards or to make gardens or ozier beds not exceeding an acre, because very often it is found in practice that a man wishes to extend one or the other. Half an acre was one proposal, but then it was thought better to propose that it should be one acre. So with regard to improvements; that is a very important alteration in effect. We do not propose to transfer the entire making of new things, but that there ought to be the power of improving roads for instance. We do not propose to remove the making of roads or bridges from No. (7) in Part I., but we take out the word "improving" and put it into Part II. so that the tenant may improve by giving notice and not be obliged to wait for the consent of the landlord before he does that. I think that will commend itself to your minds.

20,477. The effect of that will be that all these improvements could be effected by the tenant if he has given three months notice to the landlord, during which time the landlord can undertake to execute the work himself?—Yes.

20,478. And then, if he does not adopt that course the tenant can make the improvement and claim compensation under the Act?—Yes.

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20,479. In the same way that he does now for drainage?—Yes.

Drainage under the Act.

20,480. Do you know whether the Act has been much availed of in respect of drainage in that way?—I think it has operated in this way that it has made landlords more active in draining; I was, I believe, almost the first to advocate that drainage should not require the assent of the landlord, because it is so absolutely essential in the initial improvement of the land. I am going back to the draft Bill of 1875 now.

20,481. Then the main effect of the existing Act as regards drainage has been that tenants have given notice to their landlords and the landlords have then executed the drainage themselves; not that the tenants have effected the drainage after notice; is that so?—Some have.

20,482. Some have?—Some distinctly have.

20,483. The main effect has been to bring it prominently to the notice of the landlord that drainage is required and the landlord has then availed himself of the option of doing it himself?—Yes.

20,484. Therefore it has enabled a gentle pressure to be brought to bear upon the landlord to effect it?—Yes; it has operated both ways.

20,485. Do you consider that that would be the probable effect of introducing these other items into Schedule 2, or would the tenants do them?—Unquestionably. As I dare say you are aware the very worst *vis* is *vis inertiæ*. The tenant does not get an answer to his requirements very often: he asks for the consent over and over again and he does not get an answer.

20,486. As with lawyers?—I am sorry to say that is not confined to lawyers. But in such a thing as drainage it is conceded that it is essential that it should be done. The main alteration the committee propose, you will observe, is in regard to laying down to permanent pasture. That is brought about by the low prices of corn. As we know by statistics in all parts of the country men are laying down to grass, and it is a necessity. This change in the 10 years has rendered the proposed alteration politic. It was not so obvious in 1883, but I think now that the laying down of permanent pasture is so essential that a man ought to be able to do it after giving due notice. If he cannot get the consent of the landlord to help him in doing it upon a basis of mutual agreement, he ought not to be precluded because he does not get an answer.

20,487. That is a case where, I presume, you would consider the tenant would almost certainly do it himself?—Yes, and he usually does.

Schedule III.

20,488. What alterations do the Committee propose in Part III.?—Two items have been very considerably discussed ever since the Tenant Right Acts were brought in; one a minor one, with regard to horses. The cause of its not having been put into the Act originally was the fact that horses are greatly on the roads—I am speaking now of the consumption by horses of food stuffs—that their manure, therefore, did not reach the manure pit, and that consequently it was not fair to tax the incoming tenant. The majority of the Committee considered that we should put in words which would make it only applicable to horses which may be considered were entirely engaged on the holdings, and not engaged, as in the West Riding is so common, in coal leading or doing odd jobs for neighbours. The majority were of opinion that horses entirely engaged on the holding ought not to be excluded in taking into account what the value of the manure was. Then the other point was one which, of course, everybody is aware, has been a vexed question for a very long time; that is, as to home-grown corn. I may say that I am a convert myself by the change of circumstances since 1883. We all know now the miserable price of all the lower orders of grain. Unless it is very first-class grain the best mode of dealing with it is to consume, at least, a large proportion of it on the holding. A change has taken place in that way. If we had been told 20 years ago that we should consume our wheat at home it would have been considered a very far-fetched idea; but it has now practically become a most common practice with a large number to feed at home. We have to deal with that. I know that in the opinion of many most experienced valuers there would be very great difficulty in valuing what had been done; but let the *onus probandi* lie with the claimant. A good umpire would satisfy himself before he allowed the claim. We think that it ought to be allowed with the reservation that proper vouchers should be produced.

Compensation for consumption of home-grown corn.

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20,489. You said that you had been converted by the change of circumstances during the last 20 years?—Yes.

20,490. Then I understand from that that 20 years ago you were of a different opinion?—I think I might say that three-fourths of the Central Chamber, who drew up the original draft which led to the Act of 1875, were of the opinion that it was not desirable to introduce it; but since then, as you are aware, these prices have tumbled down so as to cause a different system. That is the whole secret.

20,491. (*Viscount Cobham.*) You said proper vouchers should be produced. What vouchers could be given?—If you ask me what they can be, I say, it would be for the off-going tenant to see. I do not attach very much importance to it myself. The value according to our scale in a former report, which I should like to put in presently, would only be one-sixth for corn, and it would only be for the last year. Therefore the claim would not be excessive, and it would be for the man himself to see that he so manipulated his claim as to make it available before an umpire. What I should do myself, if I were a tenant, would be to give notice to the agent that I was going to make my claim and to give him the opportunity of checking that a proportion of my growth was so consumed.

20,492. If you limit it to one year of course the difficulty would be small?—It would be limited to one year. I do not think Sir John Lawes, whose tables are certainly unapproachable by any others, would say that horse corn could be looked upon except for one year. So that I do not myself regard the question as of that paramount importance that some people do.

20,493. (*Chairman.*) You spoke of one-sixth, but I did not quite understand what you meant?—Directly the Act was passed in 1883 a committee was appointed to consider the basis upon which the valuation ought to be made and there was complete agreement as to the valuation in respect of items which comprised feeding stuffs, but there was not such a complete agreement as regards manures as led us to make a proposal. On this committee we took our information from Sir John Lawes.

20,494. Do you mean that the outgoing tenant should recover one-sixth in value of the corn consumed during the last year of his tenancy?—That was the recommendation made, that that was the manurial value left. Our estimates were mainly formed upon Sir John Lawes' experiments which he has made public.

20,495. (*Mr. Channing.*) May I ask whether several of the Chambers did not recommend that the preceding year should also have compensation, and whether in some cases they did not put it at one-sixth of the amount for the preceding year as well as for the last year of the tenancy?—As you are aware, I could not possibly go into the various suggestions coming from all over the kingdom. I have come to the concrete result made by the Committee; I cannot go further than that.

20,496. (*Mr. Little.*) These I take it were only suggestions which were not binding upon any valuer, they did not affect the Act?—Not at all.

20,497. No umpire would be bound by these suggestions?—I remember the question whether they would be binding being put to Mr. Chaplin, who was our chairman on that occasion. His answer was this: what we have done is in order to be a recommendation to everybody, either landlord or tenant, if they want a basis which shall be indisputable.

20,498. I beg your pardon; I understand it is for insertion in an agreement?—I am speaking of that. He said that it would be a guide to valuers for both landlords and tenants in arriving at a basis rather than having it entirely open until the tenancy expired.

20,499. You are dealing with a substituted agreement?—I am entirely. His answer was that if they went before any judge in the kingdom with an agreement containing this recommendation he could not imagine its being disputed as a fair substitute when backed by such a recommendation.

20,500. (*Chairman.*) Is it proposed that that basis should be laid down by law, or no?—I should like to see one universal law applying to the kingdom. I am not in the least degree of the opinion that various counties must have different modes of arriving at a valuation. I have a fair knowledge of the kingdom, that is of a great number of counties, and I have never seen the smallest reason for supposing that linseed cake for instance, which is the commonest item in feeding stuffs should be varied from John O'Groats to Land's End, but I am afraid that valuers are a very difficult tribe to get out of a local rut. Our object was upon the highest possible authority, namely Sir John Lawes and others, and upon the recommendation of practical men, to put such a basis as everybody might put into their agreements. I put this verbatim into the agreements that I make.

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20,501. What other changes do you propose in Part III.?—We have recommended that "two years and older "seeds if a good plant, and the land clean and in good "heart," should be inserted. You will see that in our recommendation (32). I think that is a very proper item, sometimes without being what you might call permanent pasture a man has laid down seeds, he finds them answer, and for two or three years they are allowed to remain. The present arrangement is not sufficient and there ought to be a larger valuation.

Suggested addition to Schedule III.

20,502. That is a new item, is it not?—Yes.

20,503. The next clause is, "Increased fertility of the "holding, due to continuous good farming." What have you to say on that?—On that head we have received a good many suggestions from some of the best farmers that are attached to the Central Chamber. Another mode of arriving at continuous good farming was, I remember, made by Mr. Bell, and the Chamber he represented, the Newcastle Farmers' Club, some years ago; that was, that the valuation of every farm should be put under one of three heads: the first, high farming; the second, moderate; and the third, bad; therefore, if it was determined that the farm in question was put under No. 1, the scale of remuneration all through would be of a higher class. I think that was an admirable suggestion. Everybody who knew Mr. Bell knew that he was one of the most practical men in the kingdom, and a very shrewd man too. We considered that in the committee which had all these suggestions before them, but it was not carried out. Now it has been brought before us again and pressed very much that, in addition to those claims which we have already had before us, there should be a distinct valuation for increased fertility of the holding by continuous good farming. I do not see how it can be done except by adopting Mr. Bell's suggestion of a higher scale throughout.

Compensation for continuous good farming.

20,504. What are the three scales; first, high farming?—Yes, you will find all that in the original report.

20,505. Perhaps you will put in whatever is material of that report?—Yes, I will do so.

20,506. This committee did not adopt that recommendation, I understand?—No. Might I read just a single clause, it will be only four lines, of the Report of the Basis of Valuation Committee, which I propose to put in? I am quite sure that would be of service.

20,507. (*Mr. Chaplin.*) What clause is that?—It is in a report which you will remember, as you were chairman at the time, Directly the Act of 1883 was passed, a committee was appointed to report upon the basis of valuation, principally on the custom of Lincolnshire and the West Riding. That report states this—and it has reference to the Newcastle recommendation—"Two modes of estimating "deductions due in respect of deterioration caused by "weed growth or waste of manure have come before us; "one to consider how each item is affected; the other to "adopt the classification of holdings by which every "claim is at once graduated under a distinct standard." That is the reference we make to it, and then we published *in extenso* the recommendation of the Newcastle Farmers' Club as an appendix. If I put in the whole of this you would find in the appendix the recommendation of the Newcastle Club.

20,508. (*Chairman.*) Has this proposal of giving compensation for the increased fertility of the holding due to continuous good farming been adopted in any existing agreements, or no?—It has only been made this month.

20,509. I mean is it based upon any practice or any existing agreements?—No; it is a claim which I may say has never been really focussed before this inquiry, and it has not yet been adopted by the Central Chamber. It is to come on on the 5th June, but the report having been made, I have put it in. It has never, I think, been really practically dealt with before.

20,510. And it is not based upon any practice or any existing agreements?—It is not.

20,511. You stated just now there was some other matter that you had incorporated in recent agreements which you had made as agent?—Yes.

20,512. You have not done that in respect of this?—No, that was only as to the basis of the Act of 1883.

20,513. (*Mr. Channing.*) I think I ought to tell you that Mr. Rowlandson has given evidence on this point?—Some of our best men—and certainly Mr. Rowlandson is one of our best men—in dealing with these customs have

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stated that they think the high farmer ought to be compensated on a different scale to the man who may have made a spurt in the last two years so as to have a claim under these heads. That is really the basis of the whole thing, but it is a difficult thing to arrive at how to do it.

20,514. (*Chairman.*) The next item apparently is an addition: "Any other improvement increasing the value "of the holding as an agricultural holding and not "specifically mentioned in this schedule for which the "tenant is not otherwise compensated"?—Yes, that was put in so as not to exclude anything.

Scheduling the condition of a holding.

20,515. That is relating to any matter *in pari materia*?—Quite so, I suspect that it will be very difficult to introduce anything else that is not here. It is to cover everything. There is a compensating clause you will find in the Deterioration Schedule which the landlord is to be entitled to.

20,516. Then I see the committee further recommend that there should be a record of the condition of the holding?—That has been most strongly urged by some of the best valuers we have had to deal with.

20,517. That recommendation is to the effect: "(1) "That on the face of every award in the case of a quitting "tenant there shall be a record in a scheduled form of the "general condition of the holding. (2) That in the case "of no award a record shall be made either by the land-"lord and entering tenant themselves, or by a valuer or "valuers; and that such record shall be in duplicate or "accessible to both landlord and tenant and signed by all "parties making the record." Would the expense of that be serious or no?—I think not. A valuer who does his work must go through the farm, and it would be a very short note. My difficulty is how to make it compulsory where there is no award. Mr. Rowlandson stated that there were a great many cases where there was no award. That is not my experience, but I have never acted as a valuer, therefore I will not speak to that. I have always had to pay something to every outgoing tenant, that is all I know. Therefore I think that it might be made compulsory that upon the face of every award a record should be made. To have it on record would be much more satisfactory than vague assertions of what a man found when he came in a dozen years before.

20,518. This record would be a record field by field of the actual condition of the farm?—Yes. There is generally a schedule of the fields to every agreement and a short note opposite it. That is my habit universally. I have every farm inspected every year to know what the cropping is. I think it would be very easy to state that a certain field was in a very exhausted and foul condition, or in a good state of cultivation. It would require but few words, and I think it might be done. At any rate the recommendation is backed by such very good men that I cannot but hope it may be carried out.

20,519. It would seem easy enough to provide for a case where there is a landlord and a tenant, and where the out-going tenant makes a claim and there is an award; but the difficulty is where there is no such claim, is it not?—Yes.

20,520. That is where a tenancy begins without a previous claim?—Yes, without any claim.

20,521. (*Mr. Little.*) I suppose there is always something passing from the out-going tenant that has to be valued?—I said so, but Mr. Rowlandson said, as Mr. Chaplin heard, that he knew several cases to the contrary, I was very much astonished to hear it. Where there is an award you would require a receipt. I think you can certainly make it compulsory where there is a receipt.

20,522. (*Chairman.*) I was putting the possibility where there is no award; I put the case of the landlord letting his own farm?—He would get an award there; he is sure to make some claim; in fact he must do so unless it is a grass farm. No in-coming tenant would expect to enter a home farm and pay nothing unless—and, of course, I have known such a thing—he chose to enter without paying and to go away without being paid. I think the cases of exception are so few that if the recommendation under this head was made compulsory we should be able to deal with nine-tenths.

20,523. (*Mr. Channing.*) Can it be made a compulsory part of the agreement where there is no compensation?—Yes, it might be.

Compensation for dilapidations.

20,524. (*Chairman.*) Then with regard to the compensation to landlords for dilapidations is there any alteration proposed?—You will observe that we propose a schedule. The landlord in the Act is not bound under any schedule, and the complaint was that on the other hand the tenant was bound by a schedule.

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20,525. You propose, then, to schedule the possible claims for dilapidations as against the out-going tenant in the same way as the Act now schedules the out-going tenants claims?—Precisely. It was a universal complaint that the landlord had, both as to time and as to the nature of his claims, an advantage over the tenant.

Claims and counter-claims.

20,526. Then with regard to the notice of claims what is the suggestion made by the committee?—The second allegation made to us was that the period within which the landlord could make his counter-claim was also handicapping the tenant. I may say that almost every suggestion that we received had some reference to that and the other point I have just mentioned. I think the committee were almost universal in recommending that the two claims should be put in on the same day. They also recommend that the period within which the dilapidations should extend should be two years instead of four.

20,527. Are there any other important recommendations you wish to draw our attention to?—I ought to say that the committee were also of opinion, I believe universally, without exception, that the landlord ought to retain the present period for making any claim for dilapidation as to buildings which had occurred after the notice had been given, because a tenant going away in removing his fixtures and so forth might do a good deal of damage which could only be ascertained on his removal. Therefore 14 days should be left to the landlord to amend his claim in respect of the dilapidation to buildings occurring after the notice of claim has been delivered; but he must make his claim on the same day as the tenant with respect to the land.

Compensation for dilapidations.

20,528. (*Mr. Channing.*) The 10th sub-section, under the heading "Compensation to landlord for dilapidations," proposes to give the tenant a right which he has not under the existing law to sell off if he gives security, that an equivalent manurial value will be brought on the holding; it recommends an alteration in the law to that extent, I believe?—It is considered, I believe, universally, that where nothing has been brought back as a substitute for those items which are enumerated, and which are removed off the farm they would be considered as set-offs against the tenants claim. What we have stated here is that he need not obtain the written consent if he has given previous security that equivalent manurial value has been or will be brought on to the holding, and, if required, vouchers for the same are produced at the next audit, provided that no removal of hay, straw, roots or green crops, being the last years' produce, shall take place except with the written consent of the landlord. That is the only alteration; it is not that the whole consent is dispensed with, if the tenant does not wish to have it brought against him, but that he must have either got the consent or given security that there shall be an adequate return of manures.

20,529. My question is that giving the tenant his right to sell off if he gives security that he will place upon the farm an equivalent manurial value is an alteration of the existing Agricultural Holdings Act?—It is a qualification of it.

20,530. (*Mr. Lambert.*) Do you think it is a desirable alteration?—I do.

Valuers and umpires.

20,531. (*Chairman.*) Then with regard to the selection of valuers and umpires?—Which is the most important of all if we can get it.

20,532. Are you yourself of the opinion that the complaints made against the Act are largely due to its faulty administration by valuers?—I am perfectly confident of it. I scarcely ever meet a valuer who is acquainted with the provisions of the Act.

20,533. Do you think that no Act can be made effectual unless umpires of good standing who are really fully acquainted with the Act are available?—That is the most important of all.

20,534. (*Mr Chaplin.*) Are there not such umpires to be found: most of the valuers who now conduct valuations are men of high standing and practice are they not?—No: a great number,—a vast number—are not. Wherever small holdings exist small valuers exist.

20,535. In the case of large holdings does that observation hold good equally?—No, I think the larger the holding the better the man selected.

20,536. In those cases there are a great number of valuers of high standing?—Yes.

20,537. (*Chairman.*) I presume that the Committee of the Chamber of Agriculture is of the same opinion with yourself upon that point?—Yes; it was very carefully weighed how to obtain men of the best standing as umpires under the approval of the Board of Agriculture so that they, holding a certificate from the Board, should be

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immediately available on any question of difference arising.

20,538. And that only those who had the certificate of the Board of Agriculture should be entitled to be employed as umpires?—Quite so.

20,539. But not, of course, as valuers?—We cannot pretend to deal with valuers nor prevent a man from taking a valuer, but we think an opportunity should be afforded to either side immediately to call in the umpire who is to be nominated before proceeding to business—and I should like to emphasize that—I constantly find that valuers meet and do not comply with the requirement of the Act of appointing an umpire before they proceed to business. I think we have suggested a hint which might be adopted, that if valuers have so failed to comply with the Act they shall not be entitled to claim their costs. It is a very easy thing for them to agree before they begin. I think that suggestion is a very valuable one.

20,540. At present the practice is for each party to appoint a valuer, and then for the two valuers to appoint an umpire?—Yes, and they are supposed to do that under the Act, and by most agreements, before they proceed to business.

20,541. Is it the almost invariable practice for the two valuers to appoint an umpire, or do they sometimes agree without an umpire?—They very frequently agree.

20,542. Is it only in exceptional cases that the umpire is appointed?—No.

20,543. In what proportion of cases is it?—I should think—but it is a mere guess—that in very nearly half the umpire is called in; but there is an inordinate delay because they have not appointed the umpire before they differed. These delays are most injurious; they are costly, and nobody gains anything but the valuers. It is a great inconvenience to all concerned. I have waited six months sometimes, and so has the unfortunate off-going tenant before he could get his money.

20,544. (*Viscount Cobham.*) In consequence of applications for postponements?—Yes; all because they have not appointed the umpire first.

20,545. (*Chairman.*) In those cases where the umpire is appointed there are practically three persons engaged who have to be paid—the valuer on each side and the umpire?—That would be so; but what I look to is this, whichever side is inordinate in its claim would immediately be met by having an umpire who would supersede him.

20,546. Do you think if there was a body of official umpires, certificated by the Board of Agriculture, they would be brought in without the necessity of having valuers?—Frequently. The first meeting would be merely formal. I am sure I should recommend it in every case almost.

20,547. Then you would dispense with two out of the three paid persons in that case?—Yes, except at the formal meeting.

20,548. Do you consider that on questions of fact and of value there should be no appeal from the award of the umpire?—That is so.

20,549. That only on questions of law there might be an appeal to the judge of the county court?—Yes.

20,550. Are there any other important recommendations—we need not go into the minor ones?—In regard to the service of the notice we thought that a registered letter ought to be sufficient proof.

20,551. Now you have been agent to the Savile estates, you said, for 40 years; those estates comprise about 16,000 acres of land, I think?—Yes.

Small holdings on the Savile estates.

20,552. And are held by a considerable number of small tenants?—Yes, 10,000 acres of them are.

20,553. Ten thousand acres out of the 16,000; what do the small holdings average?—On the table I sent to the Secretary I see 10,848 acres is the acreage put down, and that the average size of the holdings is 16 acres. The table embraces some few of the larger holdings. I may say that I gave those particulars to Mr. Bear for use in his pamphlet.

20,554. From a statement made by Mr. Bear, who seems to have investigated the matter, it appears that out of 10,848 acres there are 392 holdings under five acres; 139 from 5 to less than 20 acres; 88 of 20 to 50 acres; 39 of 50 to 100 acres; and 24 over 100 acres?—Yes.

20,555. I suppose that in the case of a large number of those, the tenants do not live wholly by the land?—Not a large number, but I suppose there is scarcely any county in England which has more men who do live upon small holdings than the West Riding.

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20,556. (*Viscount Cobham.*) Are they suburban holdings for the most part?—No, they are very frequently moorland farms.

20,557. (*Chairman.*) With rights of common over the moor?—Yes.

20,558. Has that been partly the reason of their answering that the tenants have rights of common?—No, I cannot say that it has, because I am sorry to say that the last men who succumbed to the prices were the sheep-farmers who had sheep runs in connexion with their holdings. Many of them now have ceased to keep sheep. There was first the miserable price of wool and then when the fluke came in so severely there was the depreciated price for sheep of a poor quality (which moorland sheep generally are) and that prevented many of the farmers from going on sheep keeping, but it did not prevent them from going on with their ordinary occupation, which was dairying and the raising of young stock.

20,559. Could the young stock go upon the commons and the moor?—Very few.

20,560. Or the cows?—Very few horned stock comparatively go, they are principally sheep runs.

20,561. What is about the average rent paid?—It is extremely difficult in a country such as the West Riding where you have got very high class land adjoining towns, and a large acreage adjoining moorlands at a great distance from towns, to give an average that would not be misleading, but I think Mr. Bear gives you those particulars, I gave them to him as nearly as I could.

20,562. Apparently, from Mr. Bear, the small holdings average about 30*s.* an acre for rent where they are grass farms, and on those which are arable the rents appear to be about 25*s.* an acre, but on holdings of larger size the rents appear to be 20*s.* an acre?—I am not quite sure of the date of that pamphlet. I am sorry to say rents are still falling.

20,563. Mr. Bear adds that "an occupier of 30 acres or "more, it is said, can get a living on his holding." That would appear to indicate that below that a tenant could not live wholly by his holding?—No, he generally has some help in the way of his children being engaged in some occupation.

Reduction of rent.

20,564. Has there been much reduction of rent of late years?—There has been about 25 per cent. reduction since the depression set in.

Changes of tenancy.

20,565. Have there been many changes of tenancy?—I am happy to say, I think, as few as in any part of England, due to the constant and increasing outlay by the landlord with a decreasing rent.

Landlord's outlay.

20,566. Outlay in drainage and in buildings?—In buildings and improvements of all sorts, principally buildings, water supplies, and drainage.

Difficulty in letting.

20,567. Where any of these holdings are vacant, can you find tenants for them?—For the first time I have advertised in every direction two holdings, which, of course, are small, one of 40*l.* a year and the other of 80*l.*, and I cannot let them at all, and they are in the neighbourhood of good roads.

20,568. (*Viscount Cobham.*) Are they moorland farms?—Yes, they are near the moorland; they are entirely grass I mean, they are above where corn is grown. Roughly speaking you cannot grow corn beyond a thousand feet above the sea with us.

20,569. (*Chairman.*) How long have they been untenanted?—Only a year; it is only within the last 12 months I have been unable to let them.

20,570. Up to that were you able to let any farms when vacant?—Yes; the tenantry as a whole have been very long seated upon the estate, and I have never attempted to put holdings together; I have done my very best to keep them on their legs.

20,571. Are you agent for Lord Savile's property in Nottinghamshire as well?—I am only the inspector of woods; I have a considerable experience of woodlands.

20,572. But you are not agent for the estate there?—No.

Change in system of cultivation.

20,573. Has there been much change in the cultivation of the land in the district?—The principal element is what I have referred to, and that is universal, namely the increased laying down to grass in the arable district.

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20,574. Has there been much land reclaimed of late?—No.

20,575. Would you say none at all?—None at all.

Reduced labour.

20,576. Has there been a smaller employment of labour on these holdings?—Distinctly; I am afraid there is no exception in England there.

20,577. Speaking of your own district specially, has there been a smaller employment?—Yes.

20,578. Is that coincident with the laying down of land to grass?—It is concurrent with it. The first bill that is cut down is the labour bill. I do not know any indication which is so apparent to the passer-by as the condition of fencing. The fences of England have deteriorated most grievously in the last 20 years.

20,579. I am speaking of your own property?—Yes, and I am speaking of that. The fencing everywhere is becoming neglected to a most serious extent.

Highways.

20,580. What suggestions have you to make with regard to remedies other than those you have made with regard to the Agricultural Holdings Act?—The alleviation of taxation practically might be best made in my opinion by the roads being entirely taken over by the County Councils, who ought to have an increased subvention. The present Act works very unequally; roads are sometimes on contiguous parishes; they happen to go through one, and they get the main road maintained by the county. The very next parish may have an equal mileage, but they do not happen to have a main road, consequently they get no help. Since turnpikes were abolished the use of the roads by the town traffic is very hard upon the country districts. I think it can only be met in that way by having all public roads that are maintainable out of the rates taken over by one authority. I was many years on the Highway Committee whilst it was under the magistrates, and we had a very much better system under the county surveyor than previously obtained. Now it has rather gone back under the County Council to the local authorities again—I think very much to our loss—because a trained road surveyor is a very difficult man to get. I believe I have made far more roads than anybody else in the county of York, and I know that it is a very difficult thing to get a really good road maker. In all these small places the management of the roads is a grievous mistake, and at the same time a great burden upon the farmers.

20,581. What is the union in which Lord Savile's estate is?—It extends from Wakefield to the borders of Lancashire, it is not in one union.

20,582. What are the unions then?—There are a great many of them, including Wakefield, Halifax, Huddersfield, and Todmorden.

20,583. What are the purely agricultural unions?—There is no such thing as a purely agricultural union there.

20,584. The estate, then, is divided between unions which practically contain large urban districts?—Yes; local boards prevail, but then very many of these local boards ought to have been rural authorities.

Rates.

20,585. Have the tenants had the benefit of the reduced assessments in proportion to the reductions of rent?—Nearly always the tenant has asked me for a certificate in order that he might have his rateable value lowered, but then as a rule the rates have increased. Take the education rate, and others, that have been from time to time imposed. I do not know that there is a reduction as regards each man if you go back.

20,586. You do not know whether there has been an actual reduction of payments?—No.

20,587. Have you any figures bearing upon the subject?—I am sorry to say I have not. It is not as if I had only to deal with one union. The estate is so spread over the county; there are 500 acres here, 1,000 there, and in some cases 2,000, and there are so very many different unions that it did not occur to me to bring the figures.

20,588. Of course it is important to ascertain how far the tenants in such cases had benefited from the reduction of their rents in the reduction of their assessments, whether the rates have risen proportionately or not?—It is an important point which I had not thought of until this morning.

Succession duties.

20,589. There is a paragraph in your brief with regard to the burdens of successions; will you explain what you mean?—It has been a very grievous burden on this estate. During my agency there have been three successions, by three brothers.

20,590. (*Mr. Everett.*) In how long a period of years?—Between 1856 and 1887; that is 30 years.

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20,591. (*Chairman.*) I suppose there was a peculiarity in the case that they had to pay the highest rate in each case?—Yes.

20,592. They were not legally, I presume, in the position in which they could claim the lower rate?—No; I was only regarding it prospectively.

20,593. The burden was very exceptional in their case owing to the peculiar circumstances of the family?—Yes.

20,594. Therefore it could hardly be taken as an ordinary illustration. In this particular case there were three successions, I understand, and each successor had to pay the 10 per cent. owing to the peculiarity of the case?—Yes.

20,595. And that was a heavy burden upon the estate?—Of course.

Adulteration.

20,596. Do you desire to give any evidence on the subject of adulteration?—I think it might be useful just to state that the Acts which would be to a certain extent in favour of farmers are so very little made use of by the urban authorities. It is very seldom one hears of any action taken by urban authorities to ascertain how far adulteration is carried on. Within the last two months the County Council took action themselves in a district which was suburban, in a case of selling lard. I was chairman of the court at the time. There was a very interesting discussion as to how far the American introduction militated against the sale of English lard. The case was first of all brought against the retail dealer, and he produced a guarantee from the Liverpool wholesale house.

20,597. What was the article?—Lard.

20,598. Was it sold as butter?—No, it was sold as pure lard?—It is only an indication of how necessary it is to see that the Acts are made operative, I wish rather to impress that. I do not think this would have been found out except by the action of the County Council in a suburban district. If it had been within Leeds it would not have been brought by the County Council, Leeds having a County Council to itself. But being outside the borough the County Council Inspector went into a co-operative shop and asked for a sample in the usual way, as they do for butter when the Margarine Act is enforced. The case was defended by the retail dealer showing a guarantee, and that brought the issue as against the wholesale dealer in Liverpool.

20,599. Were proceedings taken against him?—The case went on. All the expert evidence which had been produced as against the retail dealer was allowed to stand as against the wholesale dealer, in order not to repeat the evidence. On the second day the wholesale dealer came, but after the opening by his counsel he pleaded guilty to the admixture, to an extent which was allowed to be an adulteration, of stearine, and we then imposed a fine with costs, which they accepted. This admixture was consequential upon introducing the Chicago lard in lieu of English, because it required this admixture to pass it off as a pure article, it being otherwise too solvent. In Chicago they use, in plain terms, the whole hog, whereas the English lard is only made from the abdominal fat. The English producers from Wiltshire and elsewhere stated what their mode of making the article was, and that it did not need this admixture; and when we came to the facts we found that the admixture was used simply to pass off as English that which was American. That shows, and I think very materially, the necessity of seeing that these Acts are carried out. The difficulty is with the urban authorities.

20,600. In that case there was a conviction, and the law was vindicated?—Yes.

20,601. And that was due to the fact that proceedings were taken up by the Inspectors of the County Council?—Yes.

20,602. Your complaint is, that where the urban authorities have control, as may be the case in the Leeds district, that those authorities are not so willing to put the law in force?—Scarcely ever, that I hear of.

The Commons Act, 1876.

20,603. I see you desire to say something with reference to the workings of the Commons Acts?—Yes; Lord Saville is a very large manorial owner in the West Riding. I will take Halifax, as perhaps the most high land town in England. There are tens of thousands of acres of commons round Halifax, within a distance certainly of 10 miles, and a portion of that comes within the six miles which, in the Act of 1876, requires an immensely costly procedure before you can enclose anything. Since the Act of 1876, I have entirely declined to be a party to it when asked by any

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labourer to enclose land. We will say that an application is made for a couple of acres to break up, and I have entirely declined to be a party to it; and it has had an effect which was never anticipated. I can safely say that wherever common land has been required in the slightest degree, by any of the towns, there has been no difficulty at all in dealing with the lord of the manor. He has been, in fact, the initial mover in giving towns all the rights he could hand over, and Halifax itself is an instance of this. But it is unfortunate that now legislation does not allow him to authorise the enclosure of a small piece where there are thousands of acres adjoining, and where it would do considerable good. Where a man has extra time, I have been repeatedly asked by men who have some trade of some sort or another, employed in some sort of shop or factory, to be allowed to enclose and improve a piece, and I have not ventured to do so since the Act of 1876.

20,604. But I do not understand that the Act of 1876 could have made the difference, because the enclosure of those bits of the common by the lord of the manor would have been equally legal before then as after?—Then I am under a misapprehension if it is so.

20,605. Apparently attention has been specially directed to the subject, since the Act of 1876, and probably Lord Saville was unable to do since then what he freely did before that question was raised?—I am under correction if that is so. If I had not received such authority that the Act of 1876 introduced no different procedure I should not have thought it.

20,606. That is my impression; I think I know something about the subject?—I am sure you do.

26,607. There is no difference in law since 1876, although the process of enclosure is made more difficult. Apparently from what you said, Lord Saville was able, before 1876, to enclose without obtaining Parliamentary powers?—Under the Act of 1876, within six miles of a town you must give notice to the authority. Take Halifax. Under the Act of 1876, you must give notice; that is the initial proceeding.

20,608. That is only with the view of enabling the town authorities to object to the enclosure before the Enclosure Commissioners. It does not in any way affect the legality of the enclosure under the Act or before the Act?—I do not like to contest the point: if you say that is so, I must accept it; I can only say that nobody told us so.

20,609. It might be that Lord Saville had power to enclose under some custom of his manor?—I think so. I think that manors all have their customs.

20,610. But in that case the Act of 1876 would not affect that particular right. However, those are very intricate questions?—I thought it would be of interest to you to know. It is quite clear with a thousand acres say, many of them more, that it is quite a different thing to where there is only a limited number of acres which can possibly be of advantage to the community, kept in a wild state. But nothing could be more positively useful than a common to working men to enclose a piece and cultivate it on terms which would prevent them being disturbed, and that has been entirely checked. Perhaps I ought to have gone on.

20,611. I rather gather that in your opinion where the acreage of commons is very large that the lord of the manor should enclose small bits to working men?—Yes.

20,612. Without any Parliamentary proceedings?—Yes.

20,613. That is the purport of your recommendation?—It has stopped a very useful process it is quite clear where thousands of acres are concerned.

20,614. The only difference is that the Act of 1876 called the attention of the public to the proceedings, and the probability is that they were no more lawful before 1876 than since in strict law; but I gather from you that you desire that where the commons are of very great extent, the lord of the manor should have the power of enclosing, without Parliamentary sanction, small pieces specially for the working people?—I would not like to state that the lord of the manor should have the power of enclosing. I should like to say that he might have the power of authorising every genuine working man; I do not care how guarded it would be, for I should be very jealous of giving lords of the manor the right to enclose.

20,615. Then it might be put in this way, that greater facilities for Parliamentary sanction for the enclosure of small pieces should be afforded?—I am afraid that the obtaining of Parliamentary sanction for the enclosure of an acre would be that there should not be any such a bargain.

20,616. I am trying to see what your view is?—To facilitate the enclosure by working men where so large an acreage existed that there could be no possibility of either public or private interests being injured.

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20,617. With I presume the consent of the Lord of the Manor?—Yes, because he would be able to give the title. Somebody must be able to give the title to prevent disturbance. While we are on the commons I should like to state a case, knowing your knowledge of the subject, if you will allow me. There is a common close to Howarth, near Keighley; we call it a common, I am a freeholder myself in it, we have tried to have it regulated. Three-fourths and upwards of the freeholders, I should think four-fifths of the holders, have tried to have it regulated, and we do not want to enclose it, and we have failed to do so. I think there is a want in the Enclosure Acts, or rather in the Commons Acts which would give the power of a preponderating majority over a single individual who objects.

20,618. My impression is that that is so already under the Act?—For some reason the subtleties of the Act have decided it, that it is not a common under the category dealt with by the Commons Act. We have applied to the Enclosure Commissioners, and they so reported some 10 years ago.

20,619. (*Viscount Cobham.*) They have no jurisdiction I suppose?—No, they have not the jurisdiction necessary to get over our difficulty.

20,620. (*Chairman.*) In the legal sense of the term I suppose?—Yes.

20,621. (*Viscount Cobham.*) What is the name of the common?—Stanbury.

20,622. (*Chairman.*) There might have been some special circumstances which took it out of the ordinary category. The consent of two thirds of the commoners is sufficient to obtain a regulation with the consent of the lord of the manor?—There is no lord of the manor here.

20,623. And the commoners are freeholders then?—Yes; but our power of utilising is entirely set aside by this inability.

20,624. It seems, I think, to be a very special case?—Probably.

Highways.

20,625. (*Viscount Cobham.*) What is your experience of the administration of the roads by the county councils?—In what respect?

20,626. As to cost and efficiency?—There is a decided improvement in the efficiency, and I think I have stated that where they were under the magistrates the Highways Committee have gradually put great powers into the hands of their surveyors, so as to obtain efficiency of management.

20,627. So that the County Council took them over in good condition?—We were gradually improving them—I would not say in good condition—I hardly know any part of England at any rate, over a large district like the West Riding, where they are in good condition.

20,628. Have the county highway rates gone up since 1888?—There has been the subvention to keep the rate down for the main roads.

20,629. So that they have not increased?—In each county I think they have a discretion as to declaring what may be main roads, and I think myself that in the West Riding, it has been rather too narrow. I think it might be very widely extended on account of what I am speaking of. What they have declared to be main roads which of course applies to all Turnpike Trusts, have all become main roads under the Act.

20,630. You say from your experience of the County Council that the administration of the whole of the roads would be economical and an advantage to the farmer?—Distinctly.

20,631. Do you think that the farmers hold that view?—I do. I never met a man who did not know that he could make a road.

20,632. They prefer to maintain the roads in their own parishes themselves?—Yes; it is miserable to see what the parochial management is.

20,633. Do you think that the farmers' pockets would in the long run be relieved by a more centralised administration in the hands of the County Council?—I will not be quite certain of that; in my opinion that is exactly where they have a right to expect relief altogether of this expense. You cannot have a very much improved road with a diminished cost. I am certain that the roads would be improved and I am certain there would be less waste.

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But instead of very bad roads we should have an improved system of roads.

20,634. We should have better roads at possibly some increase of cost?—Yes. I should like to emphasize what I have put in my notes, that I think that the operation of traction engines is most hard and unjust upon rural districts.

Traction engines.

20,635. Do you mean agricultural traction engines?—No, for traders who are never off the road. I draw the line between a load which cannot be divided like a boiler or like threshing machines, and a brewer and a flour dealer.

20,636. Do you suffer much from those traction engines?—Terribly.

Agricultural education: dairying.

20,637. Do you consider that agricultural education is being benefitted by the technical education grant in the counties with which you are acquainted?—The dairying has most distinctly improved.

20,638. How is that carried on?—By travelling dairies. It is a most gratifying improvement.

20,639. Are these travelling dairies well attended and well appreciated?—Yes, the farmers' wives have seen and believed. Lectures would not reach them; but I am happy to say that in a way that is very well tested. Where these small dairy farms adjoining the moors I hardly knew a single case where there was a thermometer used 10 years ago, now there are very few without them, which is a fair test.

20,640. You think that already the effect on butter has been to improve it?—Distinctly.

20,641. And these travelling dairies are highly valued?—Most certainly, there is no question about that.

General education.

20,642. As to the more general agricultural lectures, have they succeeded?—I am sorry to say in many cases they have not. There is an extraordinary difference in localities, but I earnestly hope that they may be kept up. I do not see any other chance than to try to educate in a higher degree from the elementary school to the large farmer.

20,643. Has great difficulty been experienced in obtaining qualified lecturers?—We have been very fortunate in the West Riding. I believe that in some districts they have been hard pressed, but in connexion with the Yorkshire College we have been very fortunate in getting excellent men.

20,644. Do the Yorkshire College find the lecturers?—Yes, we have a county committee of the three Ridings in connexion with the Yorkshire College which is the head-quarters of the staff.

20,645. They have hitherto found you the agricultural lecturers, have they?—Yes.

20,646. Do you find it quite easy to get a constant supply?—Yes.

20,647. Are you in favour of farm schools or central agricultural college maintained by a combination of counties?—We have the college you see, the Yorkshire College; I am in favour of having an experimental farm.

20,648. Is there a school of agriculture in the college?—Yes, there are regular classes.

20,649. But that is all purely theoretical teaching?—No, they take the pupils out to farms in the neighbourhood occasionally.

20,650. How is that maintained?—By grant from the County Council and the Minister of Agriculture.

20,651. It existed before the County Council?—Yes.

20,652. And it paid its way; it is not depending upon the County Council?—No, that is only with regard to two or three subjects. The students have increased year by year; I am not prepared to give the details of the whole establishment, but as regards the lectures that is where we look to.

20,653. Do you think that much can be done for the instruction of the labouring classes in the elementary schools?—I do. I think that now we have got a great number of elementary teachers who come for the specific teaching of agriculture, and so by degrees I am very hopeful to have quite a different curriculum for the rural schools; that is to say to have the objects of daily life more brought before them.

20,654. Are the county councils training elementary teachers?—Yes, they have given grants for that purpose.

Expenditure on maintenance of estates.

20,655. Turning to your figures, the cost of the maintenance must be very great on the Savile Estates, having regard to the large number of small holdings, is not that so?—It is 25 per cent.

20,656. For maintenance alone—or including buildings?—Not for buildings, I am taking general drainage and a variety of items.

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20,657. (*Chairman.*) The difference between the gross and net rent is 25 per cent?—Yes.

20,658. After taking into account drainage and other expenses?—Yes.

20,659. (*Viscount Cobham.*) Excluding new works?—Excluding new works which are done by the trustees. I am not taking in the Trust Fund.

20,660. (*Chairman.*) You are not taking in expenditure on new buildings?—No, this is the regular expenditure out of income, the very large expenditure. There has been a very large expenditure from the Trust Fund; I may say, since I became agent we have had two private Acts of Parliament to enable the trustees to do that which now Lord Cairn's Act does.

20,661. (*Viscount Cobham.*) Do you include in that 25 per cent. the interest of money paid under those capital outlays?—Under the Settled Estate Act you can use the Trust Fund without paying the interest.

20,662. The whole of the expenditure has been under the Settled Land Act, you had no borrowing from Land Improvement Companies?—We had; but if you remember, an Act was passed, which Mr. Haldane brought in, making it retrospective and the tenant-for-life could get rid of that by the Trust Fund being utilised for that purpose for rent changes.

20,663–4. Has the fund been able to extinguish the Land Improvement Loans?—The trustees were enabled to deal retrospectively, but unluckily, extremely unluckily for Lord Savile, a private Act was got at my instigation, enabling the trustees to advance the money, without going to the Lands Improvement offices, and the Act was said by the opinion of counsel not to apply to his particular case, because it was not a rent charge through the Lands Improvement Companies which for a great number of years had been dispensed with under the private Act which we had obtained to enable the Trustees to advance it, and got recouped year by year; and Lord Savile pays upwards of 1,500*l.* a year for those improvements which had been made before the Settled Land Act came in. Now all that we do is done by the trustees without charging the tenant-for-life.

20,665. Is that 1,500*l.* a year a part of the 25 per cent.?—No; I calculate if I include that it would be above 25 per cent., it would be 27 per cent. But I am taking the regular outgoings independently of the annual outlay by the trustees.

20,666. It does not then appear that your charge for maintenance is so much in excess of that on an ordinary estate, notwithstanding the large number of small holdings you have?—I think that it is not many estates which have used the trust funds as we do; there are constant improvements.

20,667. The estate is in first-rate order after all this expenditure, is it?—Yes.

Small holdings.

20,668. (*Sir Nigel Kingscote.*) With regard to these small holdings, of which you have a great number, are there houses on all of them, or nearly all of them?—On all; I may say at the present moment that, as an average, the reduced rental does not exceed more than a fair interest on the buildings.

20,669. Do these tenants live entirely upon those holdings, or do many of them hire themselves out as labourers?—No, there is no hiring by themselves; that is where they are so badly hit. The increase of wages no longer enables men to hire at all except just for the harvest, and I include the hay harvest in the harvest.

20,670. But, then, am I to understand that they live and bring up their families on the proceeds of these small holdings?—Yes, where it is 30 acres.

20,671. In your opinion what is the smallest acreage that a man and his family can live upon?—I should put it at 30 acres of fair land.

20,672. (*Chairman.*) Is that with common rights, too?—No, there are very few cases, I may say, of that kind. They can have very little advantage.

20,673. Thirty acres without any common rights, you say, a man can live upon that acreage?—Yes, on fair land. I mean it to be understood that the children in a county like the West Riding very early go out to employment. Take the girls, they go out at a very early age.

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20,674. (*Sir Nigel Kingscote.*) But they must be at school for a certain time?—Yes, and then they are half-timers.

20,675. Do the women and the girls work on the land, or do the girls go away to service?—Going into service diminishes every year on account of the greater attraction to young women of going into different trades, but in the rural districts the employment of women has almost died out in arable farms. But, of course, in the dairy farms the wife is of quite as much importance as the man, and in letting these holdings to a fresh tenant I invariably ask to see the lady.

Dairying.

20,676. You were saying that they had taken advantage of those dairy schools and that they make better butter. Do they get a better price for it now to encourage them to go on?—Yes. When you say a better price you mean in comparison with late years. But then they get a better price than they would in competition with foreign butter; in fact if they had not availed themselves of it they would be in a worse position.

Adulteration.

20,677. You gave us an instance as regards adulteration of lard. Would you like to see that action of the county council applied to other things, such as butter and margarine?—It is so; I should think I have been on the bench in at least 30 cases of adulteration with regard to the Margarine Act.

20,678. Such action has been very beneficial to agricultural produce?—Unquestionably, and the recent Act is a most admirable one for protecting the farmer with regard to feeding stuffs and manures.

20,679. Would you like to see that applied to meat?—I should.

The marking of foreign meat.

20,680. That anybody who sold foreign meat should declare it?—Most distinctly. We have a right to prevent the fraud where it militates against their interest.

20,681. Would you have him take out a license to sell foreign meat?—That seems to me the most likely way to arrive at what we want.

20,682. And that he must label it?—That is a greater difficulty.

20,683. These small holdings rear a great many cattle, do they not?—They do.

Cattle diseases.

20,684. Has not that district a few years since suffered from cattle disease?—The West Riding has not a very good repute whenever there has been disease, but of course now it is almost entirely stamped out, but the depreciated price of young stock is that which has brought them almost to a desperate condition—it is the principal factor in bringing them to the desperate position they have arrived at.

20,685. I ask that to get your opinion as to the working of the Contagious Diseases (Animals) Act, as to whether that has been of benefit to the country generally, or your district in particular?—I cannot use terms too superlative than to say if the action had not been taken which has been taken, I do not know where we should have been. It is really the bright spot upon our prospects.

Slaughter of foreign cattle.

20,686. Do you hold the opinion that it is advisable still to slaughter at the ports?—I am very strongly of that opinion.

Difficulty in letting.

20,687. (*Mr. Chaplin.*) In the case of those two holdings of 40*l.* a year, and 80*l.* a year, that you say you are unable to let now, is that owing to agricultural depression?—Entirely; those farms used to be prized to that extent that I should have had six or eight applications if there was a hint of a vacancy, and I have advertised those very widely and the one at 80*l.* a year has a large sheep walk attached to it and I cannot get any offer.

20,688. Do I understand you rightly that it has led to a great diminution in the employment of labour in that district?—Yes.

The Agricultural Holdings Act.

20,689. You have given us some very interesting information with regard to the amendments in the Agricultural Holdings Act which are proposed by the committee appointed by the Central Chamber of Agriculture; what I want to ask you is this, supposing that they were embodied in an Act of Parliament, how would they affect the question of agricultural depression in your opinion? Would they be any remedy for agricultural depression?—On badly managed properties it would do good, but as a general remedy I do not think that it would have a scintilla of influence.

20,690. I must take it I suppose from you that you advocate those amendments as things that are proper and ought to be carried out, but not as remedies for agricultural depression?—No, just as the result of experience of the working of the Act.

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20,691. Then you hardly touch the question of depression?—Only in the way that I speak of. And then the capital of tenants, the little left, is more sensitive, you know.

Foreign competition and fall in prices.

20,692. What is your view as to the main cause of the agricultural depression?—I have not the smallest possible doubt that it is entirely due to foreign competition.

20,693. Foreign competition affecting agriculture here by a fall of prices?—By the fall in prices caused by foreign competition.

20,694. You hold that the cause of agricultural depression is a fall in prices and that fall is caused by foreign competition?—Yes.

20,695. Should you say that there can be no remedy for agricultural depression unless there be some rise in price?—I do. Everything depends upon the question whether the present depression in prices can be alleviated.

20,696. Has it been, as far as you can judge, of a progressive character?—Yes, little by little.

20,697. Have you any reason to suppose that we have what is called touched bottom, or do you think that even a lower range of prices is probable in the future?—I hardly know that I can be right in saying that we are not likely to expect it, because I should have said that a few years ago, and we have seen a lower range of prices arise to-day; but that has been concurrent with some wretched seasons, and I would fain hope that we have arrived at the bottom. I think we have.

Succession duties.

20,698. I want to ask you one or two questions with regard to what you said as to the burden of the succession duties, as it has happened in your experience. What has been the effect of the heavy burden of the succession duties rapidly repeated, on the estates of which you have the charge—what has been the general effect?—The first effect is to dispense with every available labourer who can be dispensed with. That is the first effect.

20,699. Is that in order to reduce expense?—Yes.

20,700. The necessity for that being entailed by the heavy burden of the succession duty?—Yes, as a paramount requirement; and the next is to postpone improvements asked for by tenants.

20,701. (*Chairman.*) I understood you to say that there had been an increase of expenditure on the part of the landlord of late years?—Yes.

20,702. Therefore what you speak of now is merely an inducement and that has been followed by that result?—Yes, for the time; I am speaking on the succession.

20,703. How long did that last in each case; about a year or two years?—Two years I should say; that is the acute stage.

20,704. (*Mr. Chaplin.*) But in addition to what you call the acute stage, I understand that the general effect has been to curtail the expenditure on these very important matters?—Most certainly; so long as the charge lasted, over which the payment of the succession duty spread, and which varied in each case.

20,705. Will you tell us if there have been any other unfortunate effects. What has been the case, for instance, with regard to the subscriptions which are so common on estates?—I need not say that in the West Riding, from the property being so spread that voluntary subscriptions (which are almost incumbent) are very numerous, and I need not say, that necessity having no law, we have been obliged to refuse in many cases, subscriptions which are for the benefit of the poor, in the way of reducing subscriptions to all good works, such as infirmaries, schools, churches, and other voluntary measures intended for the general good. Of course, having the power over those, one is bound to limit the subscriptions.

20,706. (*Chairman.*) Would they be reduced for a limited period only, or permanently?—I am speaking with respect to the acute period which I was taking, where they suffered particularly; and so long as the succession duty remained payable that obtained over the whole of the area, more or less.

20,707. Then the subscriptions were resumed after the end of that acute period?—So long as the succession duty was payable they had to be of a less generous character; I think it almost goes without saying that you are obliged to curtail the expenditure. But what I wanted particularly to bring out when I said the acute stage was that, of course, a man in succeeding to landed estate (at any rate my experience has been that there is no personalty) and that

therefore before he is in receipt of rents, he is obliged to be indebted to his bankers for the payment of the first weeks' labour bill—he has nothing to pay it with. And then comes the knowledge that the succession duty must be met, so that for a time, at least two years, it puts you in a condition that you are obliged to hold your hand in what is most useful work.

20,708. (*Mr. Chaplin.*) What you mean to say is this, that in the case of real property there are certain amounts of absolutely necessary outgoings which must be met, and you have nothing to meet them with?—That is so.

20,709. And consequently the burden of the succession duty has been a very heavy burden in this case?—It is so. If I might give the actual instance on Mr. Henry Savile's succeeding to the estate; I heard the advice given to him, "Shut up Rufford: go abroad; and then you will be able to do it;" that meant, if he did, there would be the discharge of a very large number of people around that mansion.

20,710. That occurred at the time when the succession duty was payable, not on the capital value, but on the income, or the annual value?—It has never been otherwise, that I am aware of.

20,711. Quite so. Assuming for the sake of argument that the succession duty should be charged upon the capital value, instead of the evils that you have described as occurring already, I suppose that would be *pro tanto* increased?—Well, I cannot help saying that I have contemplated it with almost despair, if you come to the capital for the tenant for life of a settled estate.

20,712. All these evils which we pointed out have fallen chiefly upon the labourers, and the poor in a district would be enormously increased?—It would.

20,713. Then as regards the future prosperity of agricultural estates, you would regard any proposal of this kind with the greatest apprehension?—Anything which tended to diminish the present capabilities of an owner to keep up the estate, as I say, makes an agent almost in despair to contemplate.

Rental of estates.

20,714. What is the rental of your estate which you manage in Yorkshire?—The gross rental exceeds 30,000*l.*

20,715. And do you know what the rental of the several properties in Nottinghamshire is also?—No, I am not prepared to say that.

20,716. (*Chairman.*) It is very considerable, is it not?—No, it is not, I am sorry to say, as compared with the West Riding: nothing approaching it.

Capital value of estates.

20,717. (*Mr. Chaplin.*) The capital value of the two estates would be something very large?—Yes.

20,718. Would it approach a million?—Yes. I assume when you say the capitalised value you mean the saleable value, because there is so much to which I have been directing my efforts, prospective in its nature.

20,719. (*Mr. Whitehead.*) I think the Committee of the Central Chamber proposes to allow tenants to plant orchards to the extent of one acre?—Yes.

The Agricultural Holdings Act. The schedules: Part II.

20,720. Will you tell me why they do not give them more power to plant more acres; why they limit it to one acre. Why should not they have power to plant orchards altogether without any limit?—There was an unanimous opinion that we ought not to take the consent of the landlord out of that schedule, excepting in small quantities, where there was a desire to increase to a very moderate extent. We have left the schedule as it was, with the exception of this small piece which we consider that the tenant ought to be entitled to do by giving notice, and without obtaining consent.

20,721. Some witnesses before us have wished to leave Number XI. altogether out of Part I. of the first schedule; that is, planting of orchards, fruit bushes, and to put it into Part III. You would not agree to that?—No, I do not know any tribunal, if I may say so, in which varying opinions could be better expressed than we have at the Central Chamber; and I have heard very little difference of opinion as to this.

20,722. And you would apply the same to hops, Number 10; and allow a tenant to have one acre if he thought it desirable?—No, we do not give the opportunity of planting hops without consent.

20,723. Did you consider that question?—There was no suggestion which came up to that effect.

Small holdings.

20,724. With regard to the small holdings that you have told us of; I think you have not described what the tenants cultivate chiefly?—The great proportion of the small holdings have very little arable attached to them, they are mainly grass, you may say dairy and grazing.

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20,725. Is there fruit culture or are vegetables grown?—Very little indeed. It is only just recently I have let a small farm to a market gardener for this special purpose of fruit raising in Yorkshire; and I do not know a better lesson than the last week with such frosts as we have had. In the districts I used to live in, in Cheshire, damsons were a common growth in every garden, and the same in parts of Nottinghamshire. At Tuxford it was a common growth. But directly you have a good crop they are unsaleable; so that to make it a panacea for the depression in agriculture it is a most far-fetched notion which could never be carried out. What can be done is done within the reach of large towns, namely the growing of vegetables, particularly such as celery, and the hardy fruits, gooseberries and currants for preserving.

20,726. But I understand that near these small holdings there are large towns which might be supplied with these kinds of vegetables and the hardier kinds of fruit?—I do not think that is so to any large extent—not to touch the large estates. I am only too happy to bring in capital in any way, and this particular instance only took place last year. I should like to see market gardens established. This case that I am referring to the tenant took a lease of 21 years, and it is the only single lease for a farm that we have been asked for; nobody will have leases.

20,727. Would a holding of 30 acres devoted to dairying keep a man and his family?—I guarded my answer by saying that the sons and daughters go out directly they are old enough.

20,728. But they are at home up to 12 or 13 years?—That is so.

20,729. As a matter of fact do men maintain their families on 30 acres?—Yes, if it is good land they do; and it really depends more upon the wife than the man for dairy management.

Traction engines.

20,730. There is only one other question. With regard to traction engines used by traders, are you aware that in some counties a tax is put upon traction engines now generally?—A license is required to be taken out for the traction engine, and in the West Riding it used to be 5*l.*; and while it was under the magistrates at my own instance I put it up to 10*l.* which is the maximum; I think 10*l.* is a most ridiculous contribution to a general fund when they are going over the roads every day with their traction engines.

20,731. Have not county councils the power of charging what they like in the way of taxes on traction engines?—I am not aware of that. It used to be limited to 10*l.* I am not on the county council. I was on the Highway Committee of Magistrates, but I am certain that 10*l.* was the limit then.

20,732. I was under the impression that there was no limit?—But the use they make of the roads is beyond all reason.

20,733. (*Mr. Little.*) The amount has not been altered?—I am not aware that it has been altered.

Succession duties.

20,734. (*Mr. Giffen.*) With regard to the succession duty on the Savile estates, could you tell us what was the proportion of the value of the life interest to the succession duty—to the total value of the estate?—10 per cent.

20,735. That was the duty?—That was the duty.

20,736. But what was the proportion of the value of the life interest to the total value of the estate?—It is upon the life tables. It is according to the age.

20,737. Yes, but I should like to know in this particular case what the proportion was?—I can tell you what each succession duty amounted to in the individual case, but I had not the direct payment of it.

20,738. (*Chairman.*) The two last successors inherited at somewhat advanced ages, did they not?—Yes, it depends upon the age.

20,739. Especially the present Lord Savile; he came in at an advanced age, and he would pay only upon the life interest, and something very much less than 10 per cent. upon the value of the properties?—These are public tables.

20,740. (*Mr. Giffen.*) But still it would be very interesting. You represent that the duty paid was a very heavy burden, and one would like to know how much it is in proportion to the capital value and the rental value of the estate?—These are upon tables which, of course, are open in the same way as in buying a life annuity. I have not got them before me; therefore I cannot answer the question.

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20,741. But we do not know the ages at which the people succeeded in this particular succession. I want to know if the burden was very heavy in proportion to the capital value, and the rental value of the estates?—I cannot give you the answer in the shape you want it. All that I know is the practical effect.

20,742. But you cannot tell us what the thing was that produced that effect?—I know what each paid.

20,743. How much?—The first successor paid 48,000*l.*; the second 56,000*l.*, and the present one 30,000*l.*

20,744. What was the rental at each time?—That I cannot tell you.

20,745. What is the rental now?—The gross rental is 30,000*l.*

20,746. (*Chairman.*) But that is upon one estate only. You stated the amount paid on both estates?—Yes.

20,747. Including the trust money and everything?—If you take the total rental I am quite certain that any rental would not exceed what I have been giving.

20748. (*Mr. Giffen.*) How much?—30,000*l.* is what I stated.

20,749. And the duty paid in the last case was also about 30,000*l.*?—Yes.

20,750. So that that was about one year's net rental?—No, I am not the agent for the Nottinghamshire estate, and that is where the mansion is, and of course you are aware that a very large per-centage on an estate of that sort is swallowed up by the establishment. On the Yorkshire estate there is none, so that outgoing I cannot give you, not being the agent there.

20,751. But the outgoing upon the establishment is not an outgoing that belongs to the rental of the estate properly speaking?—I am afraid the owner of a mansion would think so.

20,752. As a matter of fact it is not an outgoing connected with the business of the estate; it is a man's expenditure out of his net income surely?—I cannot regard it as such. If that is shut up, that is exactly what was advised; if he shut up Rufford it would dispense with a very large amount of labour at once and would be no discomfort to the owner. He was advised to go abroad.

20,753. You cannot take that expenditure as a reduction of the net rental of the estate?—I am only giving it as a reason that I cannot give the returns of the Nottinghamshire estates, but I do know that the white elephant of a mansion with its surroundings absorbs a very large percentage of it.

20,754. But still as a matter of fact the duty did not amount to more than one year's rental in the last case you spoke of?—I will not say net rental.

20,755. (*Chairman.*) You do not quite know what the net rental is?—I do not.

20,756. The gross rental of the Yorkshire estate is 30,000*l.*; besides that there is the Nottinghamshire property; and there is also considerable trust money. Are there coal mines there?—None.

20,757. Are there any in Yorkshire?—Yes. My returns embrace all the coal mines.

20,758. In the list of great owners of land in England and Ireland, I see the estate is put down at 17,000 acres with a rental of 17,000*l.*; and the West Riding estate is put down at 9,000 acres, with a rental value of 23,000*l.*, making a total of 26,000 acres and a rental value of 40,000*l.* You say that the gross rental of the Yorkshire estate is 30,000*l.* instead of 23,000*l.* which is given here. Then on the Nottinghamshire estate at that time it was a rental of 17,000*l.* a year on 17,000 acres which does not seem to me to be highly rented?—There is a large amount of what is called forest land; there are 2,000 or 3,000 acres which is absolutely without any renting.

20,759. Then he has got double the amount in Nottinghamshire to what he has in Yorkshire?—That is a mistake.

20,760. But still one has always heard in connexion with Nottinghamshire that it is one of the large properties in the county?—The area of the Nottinghamshire estate seems correct.

20,761. He has got more in Yorkshire?—Yes.

20,762. (*Mr. Giffen.*) You do not think that the agents have been exaggerating the effect of the duty in inducing them to curtail expenditure?—Inducing whom?

20,763. The owner of the estate to curtail the expenditure?—The succession duty is entirely paid by the solicitor to the estate. The agents have nothing to do with the payment to the Government; but I cannot imagine that the owner would not know to a fraction what he has to pay.

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20,764. Why should a payment which is less than one year's net rental have such a disastrous effect upon him; could not he wait for a year and go on with the expenditure; it is only a temporary thing?—You are now speaking of the present Lord Savile.

20,765. I am speaking of the case you put before us; it is only a name to me?—When you say to the present owner, it can only apply to the last successor; he came in in 1867, consequently it is a very much reduced payment. It does not apply to his brothers, one of whom paid 56,000*l.* certainly. They do not get anything approximating if you take the average of the three, what you would call one year's rental.

20,766. But to the previous gentleman the net rental was more than it is now I assume?—It was, but the expenditure was also greater. The causes are these: when I first took this management there was not a single acre of land of any description let on lease; many of the estates were without roads; there was no drainage to speak of; and all these have been done, and I am afraid it might be said that the expenditure was rather hard upon the tenant for life, but with every tenant justly calling for improvement you had to face it.

20,767. The statement that the duty interferes with capital expenditure upon improvements is one thing, and the statement that the duty prevents ordinary expenditure for repairs, and things of that kind is another thing surely?—They are very different things; the one militates against the other, that is all that I say. You cannot for a time undertake such and such works because this particular payment is first and foremost; it holds your hand.

20,768. Do you think that the effect of the duty would be to prevent the expenditure of capital generally all over the country?—Most distinctly upon landed properties. I never heard it questioned. I have heard many agents bemoaning themselves that the succession duty has prevented them doing this and that, but I never supposed that it should be questioned.

20,769. Why do not they sell part of the property and invest it in something else?—That I have done so far as I could to enable the trustees to have funds for their capital improvements. If I apply to-morrow for 5,000*l.* to make roads and bridges the solicitor very soon informs me if such a fund is in hand or whether I must sell something to meet that.

20,770. So that the duty would only have the effect of causing a certain amount of sales. It would not prevent the improvement generally?—But hitherto you could not use the Trust Fund: it must be out of income up to that period. I am aware that there is a suggestion in Parliament now for sale; but hitherto that has been the case.

20,771. Surely it ought to be paid out of capital?—Yes, distinctly.

20,772. (*Mr. Clay.*) Landlords having an income, should not they save a part of that to meet emergencies of that kind?—That is a question of morals which I can hardly be expected to answer; all I know is that the best way is to shut up your house and go away.

20,773. There is no occasion to shut up a house; you can live and keep the house open?—I beg your pardon; in such a case as Rufford, and you must be acquainted with other large ones, it is impossible to do so. Take gardeners, who are the first people whom a man always thinks of. Supposing you sell your produce, that is what I have heard over and over again advised under such circumstances, and they say that this will reduce your expenses. Well, it is a miserable return; and I have never heard that a man has got anything from a large staff of gardeners. If he discharges the gardeners, and leaves his house, you know what becomes of the whole of the gardens, including conservatories, and so forth; they go to wreck.

20,774. (*Chairman.*) There is nothing to shut up in Yorkshire?—No.

20,775. The whole estate is a non-residential estate, and the landlord does not live there?—Yes, but I understood the Commissioner's question was whether a landowner could not reduce his expenditure. The first thing is to shut up the establishment to do that.

20,776. But you have nothing to shut up in Yorkshire; with a large estate of 30,000*l.* a year, there is no resident landlord there?—There is no estate, except a shooting-box.

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20,777. (*Mr. Clay.*) But is there any difference between the commercial man and the landlord having an income?—It is a totally different thing. There is not such necessity; there is not such outgoing that I have heard of connected with a mercantile man, unless he took one of those places, and one-third of the whole of those places are now occupied by mercantile men on account of the pressure on landlords.

20,778. What right has a landlord to live up to or above his income; why should not he save money?—It applies to everybody, I think. I think it must be allowed by all who know what our large landlords' establishments are in the country, that they are a source of immense employment to the labourer, and that the shutting of them up is a terrible blow to any neighbourhood. There is not an exception in England. If you shut up an establishment, which is the first thing a landlord is advised to do, you could not have a worse thing for the country. I know a case; I do not choose to go into names; where it is a terrible misfortune to a whole district to have had a large establishment shut up.

20,779. Is it a worse case than where a tenant lives up to his income, and when he dies he has to discharge the whole of his labourers?—It is the same thing; the landlord discharges all the labourers by the shutting up of the establishment, and it is a dreadful blow to the agricultural labourer in that district, at whatever period it occurs. But if I am asked the difference between the landlord's establishment and mercantile men's establishments, I think I have a fair knowledge of it in the West Riding, the latter has no sort of community of influence upon his neighbours.

20,780. A farmer is much in the same position if he lives above his income; he cannot employ his labourers?—Unfortunately, I know, if he lives above his income he has no living left.

20,781. If the landlord lives below his income and saves money, he could meet an emergency. What is the difference between the tenant and the landlord with respect to that?—I really can see no parallel.

The Agricultural Holdings Act.

Compensation for home-grown corn.

20,782. You are of opinion that under the Agricultural Holdings Act there would be no difficulty of a tenant using his own corn, and getting compensation if he used it upon his farm?—I think there is great difficulty. I stated it would be very difficult to produce the evidence which would be required to establish his claim in the opinion of an umpire; but I think it is a just claim, assuming him to give the proof.

20,783. What would you recommend as proof?—I think it would be better to give the notice. It could only occur in the last year of his tenancy, and he should give the agent notice that he was going to use a certain per-centage of his corn through a certain field of 10 acres say, and that he was going to use that entirely upon the holding; and if he gives the notice that he is going to do so, that it should not be then questioned that he has established his claim.

20,784. That is, if he has to get compensation, he should be at the trouble to give the land agent or the landlord a monthly notice of what he is going to use?—Not a monthly notice, but a notice beforehand of his intention to consume instead of selling. That would be the readiest way of establishing it before the umpire. It all rests with the umpire whether he has had a sufficient voucher that the tenant has used that corn which he himself has produced. There is a great difficulty, and I am only suggesting that way of making his claim to put it beyond suspicion.

20,785. But to bring the question to a narrower focus; if the tenant gives his landlord or his agent notice that he had used, or was going to use, say, 50 quarters of wheat monthly, then the land agent would have some reasonable way of checking that delivery?—He would go over and say, "What part do you intend to use?" if he had thrashed it, or stacked it, he would say, "What part do you propose to use?" and if he wished to go over it at some period between the notice and the expiration of the tenancy he would have the power to do so. I am extremely desirous of giving the tenant the means of establishing his claim without trouble.

20,786. But you conceive that that difficulty can be overcome by some process of that kind?—I would suggest that as one system of doing so.

Position of the tenants.

20,787. You spoke of some of your tenants rather getting into difficulties, but you said you have been able to keep them on their legs?—Yes.

20,788. Are you still keeping them on their legs?—Except the two that I mentioned.

20,789. Are they keeping the farms in the same condition?—I am sorry to say that they are all impoverished.

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Small holdings.

20,790. Regarding small holdings, are they making a livelihood, so as to keep their families?—Yes, I have answered that three or four times, that their children being in an industrial neighbourhood, where all kinds of employment are within their reach, go from home at the earliest possible time, and to a certain extent that is against the occupier, because he loses a strong lad's employment, which in former days he would have obtained. Now that lad, as soon as he can hold his own, leaves the small farm, he is no longer satisfied with what he used to be, and goes into some other employment, and the father loses his services.

20,791. The 30 acres of grass land is sufficient to keep a family and make a livelihood?—It is done for young children. I am not speaking theoretically, in fair good land they do so.

20,792. (*Mr. Gilmour.*) Following up that question of the small holder. When the strong lad leaves, as you say, the man will have to employ some one in the lad's place, will he not?—No; I am sorry to say that that is where the great falling off is; that farms as a rule are going down for want of labour; they cannot afford to hire excepting during the harvest, and it goes without the hired servant.

20,793. Then it results in the man and wife being able to carry on 30 acres in such a way as to make a living of a sort?—Yes, but I am sory to say that it is not much.

Traction engines.

20,794. You have mentioned tradespeople that have come out into the country. Do I understand that those people use traction engines?—There are two classes of traders who come into the country, brewers and millers.

20,795. Do they bring their grain and beer in with traction engines?—Yes, with traction engines. The county bridge at Wakefield requires repaving with granite in one third of the time less than it did since traction engines came over it; that I know from being on the Highway Committee. Then they come on to the country roads; and one dreadful effect upon the convenience of farmers is that small country millers have been extinguished, and the farmer has no longer a small country miller to which to send his grain for his own use for grinding or any other purpose. They are extinguished by the large capitalists who take these traction engines to the said user of the roads and to the absolute loss of the agricultural tenants.

20,796. It has come to be a fact that these traction and steam locomotive engines have come to be considered as ordinary traffic on the roads of the country?—Yes.

20,797. Are you in the habit, under your Highways and Bridges Act, to charge for them as extraordinary traffic?—Certainly under the ordinary Act: but then it has been established that this is not extraordinary traffic.

20,798. Is that not rather a hardship upon landowners, who for instance cut down woods and get their timber carried off by steam locomotion. You come upon them, I take it, for extraordinary traffic on that part of the roads, whereas these others who are continually on the road day after day are using traction engines and not coming under that extraordinary traffic clause. Is not that a hardship upon the landlord?—If it was so; but I am not aware of the landlords using traction engines except in the ordinary way of a threshing machine used from farm to farm; and I draw a distinction as between that and the constant use of traction engines which are never off the roads, for trade purposes.

20,799. But it is a very useful thing in some parts of the country to carry our timber off an estate with traction engines; at any rate in our part of the country it is considered extraordinary traffic and charged for accordingly?—I should think that that is an extraordinary hardship if the landlord is charged and the trader is not. I had hoped that the traction engine could have been charged as for extraordinary traffic; but I found when I was on the Highway Committee that they could not; and hence I think that the license should be very much larger than 10*l.*, which is a mere fraction for their use in rural districts. Then many of the country roads are not above 20 feet wide, and no carriage or cart can pass them; and these traction engines use the road which merely means the ousting of the ratepayers of that particular district on the narrow roads. They should be limited in my opinion to roads that are 30 feet wide.

The Agricultural Holdings Act.

Valuers and umpires.

20,800. You do not propose to start with one valuer to decide the whole question between the landlord and the tenant; you propose to have a valuer on each side, and then an umpire?—Excuse me, the Agricultural Holdings Act always has in view the power of having one man to

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start with; we have not altered that; it is only where each man appoints his valuer.

20,801. But in the end as a rule, and in your experience does not it come to one man's deciding all those questions namely, the umpire?—No, about one half I should think; I merely give that as a guess; one half are referred to an umpire, and the other 50 per cent. are decided by the two valuers.

20,802. Do you see any practical objection in starting with one man?—I invariably recommend it if they come to me for advice, and I take care that that man should be a man of the best stamp.

20,803. If that is your recommendation, would you not think that it would be a good thing to carry out as the mode of doing it?—Not as a compulsory measure; that is often talked of. I think farmers would never agree to that. They would consider it an extraordinary hardship not to have the option of choosing their own valuer.

20,804. Do those valuers not become advocates rather than fair valuers?—That is why I want the umpire to be named before they commence—in the initial stage. But you know the feeling of the farmers; they do not like to be entirely ousted from choosing a man of their own. We have put in a recommendation that if he chooses he may act as valuer for himself in the initial stage.

20,805. (*Mr. Channing.*) And the landlord also may act for himself?—Either side may act.

Claims and counter-claims.

20,806. (*Mr. Gilmour.*) You think that the counterclaim should be put in simultaneously?—Yes.

20,807. That each party must, on the same day, receive notice?—Yes.

20,808. Is that a matter that can be practically carried out?—Very easily. It is in order to meet a very practical objection which has been raised repeatedly, that the counterclaim is, what is called, made "a bounce" on the claim sent in by the tenant; and if it, the counterclaim, were sent in the same day it would be impossible to lay that allegation inasmuch as the owner would not know what the claim was.

20,809. Is not it quite possible for the tenant to be at a disadvantage under the Time Clause, when he deposits his claim in an agent's hands by an early post, and the agent makes his counterclaim after having the benefit of seeing that, and then delivers the counter-claim by messenger in the evening?—That was well considered in committee; and we have put it that the registered letter should be considered the date of serving, so that you deliver your claim, say on the 28th, the day before, and you receive from the Post Office the receipt for your registered letter. That will not arrive until the next morning. We thought that very well out. This counterclaim has given rise to so very much dissatisfaction that we have paid immense attention to that point.

20,810. (*Mr. Little.*) You were chairman of the Committee of the Central Chamber that drew up the model scale of compensation under the Act of 1883?—Yes.

Scale of compensation.

20,811. And you incorporated that scale of compensation in agreements with which you had to do?—Yes.

20,812. Thus proving that you were thoroughly satisfied with it?—Yes.

20,813. You are in favour of a uniform scale of compensation for manures—a proportionate part of the cost?—I am in favour of it. But as you are aware the recommendation which I wished to put in this report only went as far as feeding stuffs. One or two of the committee, Mr. Reade especially, were of opinion that for manures we could not arrive at a uniform basis so satisfactorily as for feeding stuffs.

20,814. Manures were rather different from feeding stuffs?—So the committee thought, but for myself, I am of opinion that we might have raised up a basis equally satisfactory for manures.

20,815. You prefer the uniform scale. Is that because both landlords and tenants are satisfied that it is a convenient basis, or because you think it is absolutely just?—Both reasons. It cannot be questioned that every tenant is in a better position to know definitely before he spends his money what he will receive.

20,816. In adopting a uniform scale I suppose you lay down a basis which is a maximum?—That is so.

20,817. A bad use of the material would diminish the compensation?—It ought to be so.

20,818. It is intended as a maximum?—Well preserved in every way.

20,819. Feeding stuffs used judiciously, and the manure properly taken care of?—Properly taken care of.

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20,820. It has been urged here that a uniform scale of compensation acts unfairly to the tenant who has continued the use of feeding stuffs for a considerable period; that there is more left in the land than he is compensated for, and that it is not fair to give him no more than a man who has only used them for two or three years?—That has been frequently urged; and the recommendation which came from the Newcastle Farmers' Club, and which is in the Appendix here, was to meet that, and it was admirably met, and that is the graduation of each farm on a scale, so that what you spoke of being improperly preserved was that a manure heap which is allowed to be washed and so forth he would receive on a lower scale, and what we recommend should be the maximum.

20,821. The inequalities of a uniform scale would be redressed by a system of gradation of holdings?—Yes.

20,822. The compensation being given on the highest scale to the best farmed land, and on the lowest scale to the worst farmed land?—Yes.

Awards outside the Act.

20,823. With regard to procedure under the Act, I presume that you do not intend to apply your scheme to arbitrations outside of the Act, for ordinary tillages and crops?—Of course the Act has that in view when it states that articles not specifically put in the schedules are not to be affected. You are aware of the clause; and as a matter of course the time of entry must largely regulate the amount which the incoming tenant must pay to the outgoing tenant for works of cultivation, and they are impossible to know exactly.

20,824. Are you not aware that lawyers recommend that two separate awards, or two concurrent awards, should be made, the one for compensation under the Act, and the other for compensation for things not included in the Act, and that they become, where there is no substituted agreement, separate awards?—No, I never heard that crystallised in that shape as you put it. It goes without saying that the clause in the Act has reference to all proper outlays for which the outgoing tenant should be compensated, the particular words are, no doubt, familiar to everybody. I remember having to point that out.

20,825. If I may refer to my own experience, I have been advised always where I have sat as umpire, and questions have been brought before me, partly under the Act and partly not under the Act, that is to say for tillages and crops, to make two separate and concurrent awards?—I can easily understand that can be so worked that you are absolutely bound by the Act under certain heads, and the other is outside.

20,826. Is not there a recent case which clearly distinguishes between what was awarded under the Act and what was not awarded under the Act—I think it was the Farquharson case?—I am not acquainted with it.

20,827. The county court judge proceeded to put the award in execution, and it was decided that he had no power beyond the Act; he could not put that part of the award which was not under the Act into force?—The agility of the lawyer would be able to do that I can see.

20,828. The point I urge is this: That in an enormous number of cases, the largest amount of money passing to the outgoing tenant is in respect of roots, and hay, and straw, which the incoming tenant takes possession of?—Quite so.

20,829. And the claim under the Act is very small?—Particularly in grass, where the hay and manure might be all.

20,830. Would you apply this system of an official umpire in those cases, and have an umpire appointed by the Board of Agriculture?—I think my object being to reduce costs, I should say it was as fair to have only one award.

20,831. It has been suggested by Mr. Druce, whom we had before us the other day, that a clause might be inserted in an amending Act authorising an award for both these purposes, and doing away with the two awards?—I think it would be most desirable.

20,832. To amalgamate the whole?—Yes, so as to cover the possible objections you have given me to understand there have been.

Valuers.

20,833. With regard to two or three valuers being employed to do the work of one, is it not the case that a great many farmers are under the necessity of having some one to advocate their cause and put their claim in order?—The great majority must be advised how to proceed.

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20,834. There is not one farmer in ten who can formulate his claim without assistance, is not that so?—Quite so.

20,835. And if you did away with the two valuers the farmers would still want their advisers and advocates?—Yes.

Highways.

20,836. With regard to highways you of course are aware that the parochial highways will be now managed by district councils after the Act comes into operation?—Necessarily.

20,837. It may be postponed for a time?—I thought parish councils had something to do.

20,838. The whole management of the highways will after a limited period be by district councils?—Well that would not remove my objection.

20,839. You would prefer the county council to the district council?—I would prefer the county council to have the real direction of affairs.

20,840. Do you think that if different districts and different parishes had their roads on a fair level of efficiency they could be at once amalgamated under one management and become a common charge?—I do.

20,841. You think there is sufficient uniformity of conditions?—I think that it should be introduced.

20,842. Would it be fair; supposing one parish or one district has always maintained its roads in a good state and another has neglected them the effect of putting them all under the county council management would be I suppose a common charge for the whole of them?—My recommendation was that the common charge should be an imperial charge.

20,843. If we do not get that, and there is only a common charge, might it not be a great injustice to particular districts or parishes to make their roads a common charge with other parishes which do not spend any money on their roads?—If the funds were to be collected locally do I understand you to mean that.

20,844. Yes?—I certainly see a very great difficulty; but I had no idea in recommending what I did but that the money should come from the County Council.

20,845. Then it is an essential part of your road management scheme that a great amount should come out of the Imperial fund?—Out of the County Council funds and supplemented by a larger subvention.

20,846. The subvention now in respect of roads is not ear-marked for roads; it is part of a general subvention—it is part of a general amount paid over?—Yes.

20,847. (*Mr. Dalton.*) When you recommend that the whole of the highways should come under the county management you include those in urban districts?—Yes.

20,848. You have got a great many urban districts in the West Riding of course?—Yes.

20,849. You have for instance the borough of Dewsbury with 30,000 inhabitants?—Yes.

20,850. Do you propose to put the whole of their roads and highways under the county?—Yes.

20,851. What do you think that the town council would think of that?—There is the difficulty. I am perfectly well aware in dealing with large towns that the principal difficulty in all these things occurs but I do not quite see how you are to eliminate that.

20,852. At present Dewsbury gets nothing from the county for main roads. It is a cause of great complaint on the part of the Corporation?—Nothing.

20,853. I think that it has no main roads. It contributes to the main roads in the county but has no main roads of its own, I believe that is the case?—I am not aware of that.

20,854. There was a recent return moved for by Mr. Oldroyd, who is member for Dewsbury, which was intended to bring out that fact, amongst other things, but in some parts of the country you know there is a good deal of feeling on the part of some towns that they have not got their fair share—whether rightly or wrongly—that they have not got a sufficient number of their roads maintained by the county; that they contribute to the county roads but that they have not got many main roads of their own?—I understood you to say before that that they got nothing.

20,855. Dewsbury gets nothing; but there are other towns which get a certain proportion according to the amount of the main roads in each urban district?—It is the excessive difficulty of dealing fairly as between town and country, that one knows that it is a very difficult question to settle.

20,856. But would not that be an almost insuperable difficulty in the way of bringing the whole of the roads under the County Council?—I think that it was a very great difficulty: I am not prepared to say off-hand that it should be done; but I am only looking on the great change for the better for a great many years, and by degrees a very much better system was introduced by county management.

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20,857. With regard to subventions. Supposing you had a fair system of charging for the roads in Yorkshire; is there any reason why the Yorkshire roads should be paid out of the Imperial funds and not by funds collected in Yorkshire?—The reason I gave that opinion was this: I was asked what I had to suggest as a remedy for agricultural depression; and that as I was not prepared to recommend anything in the shape of protection, and I thought there ought to be a revision of rates; and that therefore if the highway rate was met by an Imperial fund that that would be a direct relief.

20,858. It would be an immense subvention you would require not only to pay for the rural roads in Yorkshire, but also to pay for all the roads in the towns—all the urban roads?—I must confess that I had not had in view the addition of urban roads. I am not prepared to say that urban roads ought to be treated in the same way, because one of the great expenses of the agricultural districts is because the towns are using the roads without any contribution.

20,859. And it is quite possible that if all the urban roads were paid out of a common county fund agricultural lands would have to contribute more than they do at present, because of the great expense of the town roads, if the town roads were included?—I am not prepared to assert that it might be a necessary consequence.

20,860. It might be so?—It might be so.

20,861. The number of miles of roads in a large town is very large. They are not merely through roads, and they are paved and laid out in a totally different manner from a country road?—I do not see that they are on the same basis.

20,862. But that would be a very great difficulty in the way of bringing a great number of the highways under the county management?—Taking all roads there might be a uniform allowance which would exclude the immense addition which granite-made roads and paved roads makes because it would apply to footpaths especially.

Adulteration.

20,863. Then as to adulteration. Does your County Council systematically enforce the Sale of Food and Drugs Acts throughout the county, or was that case where they took up the prosecution an exceptional one?—The inspectors are fairly active in the County Council, but the urban authorities are extremely indifferent.

20,864. What remedy would you propose for that? It is very difficult to try to force any authority to take proceedings under an Act of that kind?—I think all our sanitary requirements, all the sanitary provisions, require looking into. I think there is no reason why there should not be from the Local Government Board or some other Government authority an inspection to see that the Acts are observed. I do not see why they should not be upheld at any rate by showing that neglect is going on.

20,865. But that practically takes place already. Every public analyst has to make a report under the Act, and that is annually published and laid before Parliament, so that you can ascertain how far those Acts are being enforced in every district. Can you do much more?—Yes, they should show how many inspections are made.

20,866. They show how many samples have been taken, and not only do they show how many samples have been taken, but how many have been found adulterated and how many have not?—I am not aware that that is made public.

20,867. That is in the annual report to the Local Government Board?—And then they must lie there.

20,868. That part of the report is reprinted and circulated amongst some of the authorities as a separate document. It shows of course that the amount of proceedings taken in different districts is very different. But you were rather thinking of agricultural produce?—I had only reference to that.

20,869. Is not it possible for some association to take that matter up? Any private individual can take proceedings under the Act. Is not it possible for an association to proceed against the adulteration of food, or lard, or anything of that kind?—Yes, I suppose there is nothing to prevent it; just in the same way as it would be for the purification

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of rivers or purification of the air and smoke. I was instrumental in instituting, and was president for a long time, of one of those associations to try to get rid of the smoke nuisance; but unless authorities in power will take these things up you will find it an uphill game which cannot last; and what I hope for if it is found worth while, is to have an Act of Parliament for the special purpose of having more care taken to see that it is carried out than there is at present.

Succession duty.

20,870. Then with regard to the succession duty, 10 per cent. I think was payable in the cases that you were referring to, and under this 10 per cent. it came to one year's rental?—In the last instance of a very aged gentleman.

20,871. But in an ordinary case where it would be an ordinary succession, it would be 2 or 3 per cent. which would be paid?—It is according to the age.

20,872. The difference would be something less than the third of the year's income instead of the whole of the year's income. Was that money paid out of the income of the year or was it raised from an Insurance Company or otherwise, which would be the usual practice?—I cannot speak of the usual practice; but in this particular instance it was paid out of the income.

20,873. And you say it led to the discharge of a considerable number of labourers?—Yes.

20,874. Can you give the figures?—No.

20,875. Could you give any estimate of the number of labourers thrown out of employment?—I could not tell.

20,876. There would be none thrown out in Yorkshire?—Yes. Supposing I had a gang of 10 men, I should knock off at least half directly. It was in that way. I should not be able to give more than that.

20,877. You could not give any precise figures?—No.

20,878. Nor as to the subscriptions?—No.

Rates.

20,879. (*Mr. Channing.*) I suppose your opinion is that personalty does not pay enough in rating; do you hold that opinion that personalty ought to contribute indirectly more largely than it does now to local rating?—Yes.

20,880. Have you had much experience in assessment?—None; I have not been on an Assessment Committee.

Adulteration.

20,881. You have expressed a strong opinion about adulteration. Have you any suggestion as to the better enforcement of the Acts? Do you think that the county councils would be sufficient if you made them supreme throughout the whole country; or would you place the matter in the hands of the Local Government Board or the Board of Agriculture or some other central department?—The county councils could not take action in boroughs which were county council boroughs. So far as I understand the whole procedure of the Acts, they could not pretend to go into the county council borough; and therefore it would need the Government Department which I think ought in all cases of sanitation, in which I include adulteration, to see by constant inspection that the Acts are being carried out.

20,882. The borough county councils you think would be rather lukewarm in the matter?—They are so at the present time. But when you ask me if the county councils should have this, I do not think that the county councils proper would be able to go by their powers into the borough county councils.

20,883. No, they would not. I was thinking of the case of the local boards, the district boards?—That is where they do so now.

20,884. Do you think those sufficient; do ou think that a central authority is better?—I think hat a central authority should be able to report themselves.

Agricultural education. Dairying.

20,885. Now about this dairy teaching; do you think that it is leading to a better organisation of the butter trade; that is, do they turn out butter of a more uniform quality which will compete better with foreign butter?—Unquestionably, the travelling dairies have been of great value; but I think there may be a great deal more done in the way of co-operative dealing on the part of farmers. As perhaps you are aware, we have had a report by the Central Chamber considering that question of co-operation.

20,886. Do you look forward to success in the way of organisation of the dairy trade generally so as to compete with foreign importations?—It is a very difficult question to say how far we can bring farmers to co-operate. The produce is distinctly better; and the usual way now is for them to take it individually into the market, and having a better quality they sustain their price; but where the saving can be effected by having large dealers who would collect butter as is done in some districts, unquestionably that would save consider able labour and a per-centage of the individual dealing.

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20,887. Have you tried the factory system in Yorkshire?—To some extent, Mr. Fawkes, of Farnley, in our district, has done so, and I visited it the other day.

20,888. Is that successful?—It is not successful to the extent that Mr. Fawkes had hoped.

20,889. Is that owing to the unwillingness of the farmers to combine?—Partly to that, and partly owing to the difficulty of competing with shopkeepers who are on the spot.

Succession duty.

20,890. Now about the estate duties; have you considered the question of life insurance in relation to the estate duty?—I have not.

20,891. I suppose you are aware that the various insurance companies have issued papers showing the amount which will be necessary to insure the estate duty at the various scales proposed in the budget?—I only know that they have done so, but I have not examined them.

20,892. Are you aware that taking the greatest age given a man of 50 who has to leave a landed estate worth 50,000*l.* can insure against the estate duty for 109*l.* a year?—No, I have not seen the table.

20,893. But supposing an estate to be worth 50,000*l.* what would you put the average net rental of the estate at in the present state of agriculture in your own neighbourhood?—That question brings out the enormous difficulty which has presented itself to me. What I have stated before the committee shows that what I have been dealing with elsewhere has been in a great degree prospective, and hence the capital value would be so inordinately in excess of the existing income that upon the tenant-for-life it would not be a fair imposition. That is the difficulty. If you went into a purely rural district where the rental was the sole indication of value, you could arrive at a "fair" result.

20,894. But a net rental on 1,000*l.* a year on property worth 50,000*l.* would be a low estimate would it not?—It would depend entirely upon the district. It is impossible to form an idea or say what might be considered, in an expert's opinion, saleable value unless you know the precise district.

20,895. If you take the net rental as low as 1,000*l.* a year on 50,000*l.*, 109*l.* would be more than one tenth of his income. It would provide for the proposed succession duty?—I have not seen the proposals of the companies.

20,896. But you would not think that paying 10 per cent. out of the net income would be a tremendous undertaking for a landowner aged 50, which is the highest rate of premium?—For his life.

20,897. Yes, it would not be exorbitant to take one-tenth of his income in order to leave it free?—I know that one-tenth of the income, if he has a house, just makes all the difference to the labour in his district—just all the difference.

20,898. Have you formed any opinion as to the suggestion made by Mr. Chaplin that this estate duty might be paid in land instead of money—have you formed any opinion?—That is by far the greatest relief that could be afforded—in the same way that Lord Cairn's Act has enabled the tenant-for-life to sell for improvements—it is an enormous relief; and I think that is quite the best suggestion.

20,899. Then it would promote a matter in which you are deeply interested, that is the promotion of small holdings?—I do not think that you will promote small holdings by any means at the present time.

20,900. Not if you have parcels taken off the estate to pay the estate duty?—I am perfectly certain that at the present time no one will buy land as an investment except for the prospective value commercially. I am certain that agricultural land will not be taken for small holdings.

The Agricultural Holdings Act. Compensation for improvements.

20,901. With reference to the Agricultural Holdings Act and as to the recommendations of the Central Chamber Committee, you are aware, are you not, that among the members of the Central Chamber there was a very strong opinion in favour of putting most of those first class improvements which are made with the consent of the landlord, in the position of improvements which could be executed and compensation obtained for them if on a reference they were shown to be of value to the holding; that is that a tenant should be compensated on either ground, that his landlord had consented, or that the reference shows that the improvement was calculated to

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improve the value of the holding?—It was on the assumption that there was an official who was ready of access and who had capacity of being referred to; it was supposed that that was established first of all.

20,902. That you had an official referree of the character which we afterwards agreed upon?—Of such a character. We did not come to any conclusion as to how it was to be established. It is quite different to have an umpire for valuation. It was supposed that we should go to headquarters and should be able to have a referee; then it was suggested by a minority that instead of requiring, or rather in the absence of consent being given, that he should have the power of appealing to the referee so constituted to show whether or not his requirement of putting up these permanent improvements was a reasonable one, and in such a case it was to be equivalent to the consent of the landlord.

20,903. As a matter of fact that proposal was originally adopted and then finally rejected in the final stage of the committee?—That is so.

Compensation for disturbance.

20,904. There was also a very strong opinion expressed that where a farmer was taken out of his holding capriciously or unreasonably he should have some additional compensation or allowance for disturbance, was there not?—For the loss he sustained by removal.

20,905. For the loss he sustained by removal?—Those were the words which seemed to obtain most assent.

20,906. There was a strong feeling in favour of that; and this again was one of the points which was omitted at the final stage of our report?—It was overruled.

Valuers and umpires.

20,907. Yes, by a small majority. Mr. Gilmour asked you about the use of a single referee to decide agricultural compensations. Are you aware that in the Bill which I have had before the House of Commons, I suggested that the procedure should be this: that a single referee should be appointed; where the parties did not agree that there should be two referees—would that meet your view? As I understood your answer to Mr. Gilmour, it was that you thought farmers would wish to have a free hand to choose two valuers if they preferred it?—Yes, I think they would distinctly object to a compulsory enactment that they should not have their own choice in the first instance. But, as Mr. Little has stated, very few tenants are themselves capable of putting their claim into a formal shape of any sort, and that claim must be put in before there is a power of an umpire or referee to act. He could not ask the referee who is to be the umpire between the two to come to his house and have a friendly talk and tell him how to put his claim into shape; and it would be very hard upon a man who could not do that. Therefore, in the first instance, the initial stage should be left to them.

20,908. Your opinion is that possibly if you had a high class official valuer or umpire that at some future stage the English farmer may be educated to the point of view of wishing to submit his claim to this single umpire and have done with it; but at present they each prefer having their own valuer?—I think in all cases in the practical working of the thing he would wish to have his claim drawn up by men more competent than himself. Then if I had to decide upon the claim; I should be only too glad if the first initial man were entirely set aside, and that the umpire should be called in at once.

20,909. Of course the object of my suggestion was the same object as in the Scotch Act, which was passed in 1889, that is to cheapen the procedure by having one step and one referee to settle the whole matter?—But still in Scotland they must send in a claim, and that referee in Scotland would not be the person to draw up the claim. You must draw up the claim before you have it adjudicated. But that is not an expensive thing, the first sending in.

20,910. Now the committee agreed to recommend that there should be those official valuers as umpires approved by the Board of Agriculture. I should like to ask you how we should get these official valuers. Do you think that they should be nominated by the Board of Agriculture, or the county councils themselves?—We state *in extenso* the recommendation. I am quite prepared to recommend those identical words.

20,911. Nominated by the county council?—No, nominated by the county council first of all, and then approved by the Board of Agriculture.

20,912. Those are the words, practically, of the proposal contained in my Bill; but what I mean is, where shall we find those men? You yourself think the average valuer does not know much about the Acts?—The county councils are to be the judges of that; they would know the best men, and they would eliminate all those who were not worthy of the sanction of the Board of Agriculture.

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20,913. Do you think the Surveyors' Institute and their arrangements afford you sufficient tests?—There are a great many men who belong to the Institution who do not act as valuers. I only wish and hope that their influence may extend; and I had that in view when recommending these very things. I had in view that their Institution might gain more and more in public esteem and that they should be more and more particular also in their future appointments.

20,914. Men of that kind have the requisite knowledge and requisite status to deal with the matter which you contemplate, have they not?—Yes; and I hope that the *esprit de corps* might increase so as to get rid of a vast deal of what I think is a discredit to the valuers who now exist.

20,915. (*Mr. Little.*) In what way?—A great number of men act as valuers whom the Institute of Surveyors would not have appointed.

Compensation for consumption of home-grown corn.

20,916. (*Mr. Channing.*) There were a certain number of Chambers who did recommend, with regard to the corn consumed on the holding, that for the preceding year there should be an allowance as well as for the last year. I see five Chambers recommended nothing, and seven Chambers recommended that there should be one-sixth, one eighth, or one twelfth given for the preceding year; do you think that that would be unjust yourself?—I think that that would be very unwise.

20,917. It is not sufficient?—Not only that, but the extreme difficulty of substantiating the claim. All those acquainted with valuing know that there has been a very great objection to this home-grown corn being admitted. But I think now the time has come when in the last year it might be substantiated by the man taking pains to let his intention be known that his claim should be fairly substantiated. If you go to two years it would be enormously increasing the difficulty, it would be only one-twelfth.

20,918. (*Mr. Little.*) You would have to amend the Act in this respect in order to make it applicable only to the last year; there is no limitation under the Act?—No. Of course this would be introducing a new item in the schedule and it would be limited to one year.

20,919. But is the recommendation of the Central Chamber that compensation shall be limited to what is "consumed in the last year." I am not speaking of the previous recommendation, but the recommendation which is now put before us?—Yes.

20,920. (*Mr. Channing.*) But this is a point which wants clearing up. Our committee has not recommended any fixed time whatever with regard to compensation?—No.

20,921. If I remember right that was the point, the compensation on outlay was discussed and finally rejected?—Satisfactory evidence to be adduced of the same is the only qualification.

20,922. (*Mr. Little.*) If you wish to confine it to one year's consumption it must be by an amendment of the Act?—That would be so; I do not know that it would be desirable at all to prohibit, but I am only speaking of what would be a recommendation if this original report of the basis of valuation was extended, not what would be compulsory in an Act, but only a recommendation.

Valuers.

20,923. (*Captain Owen Thomas.*) With reference to the claims would you fully approve of either landlord or tenant having valuers or referees?—I am not quite sure whether you may not have two men who are very reasonable and are satisfied with each others views—they would not need to go to an umpire. My object particularly is to get at the least possible cost a fair adjudication; and sometimes two men are fair men and agree; but more often one man is so unreasonable that the sooner you go to the umpire the better, so as to get rid of the constant meetings, which is one of the causes of the trouble.

20,924. Do you think that the valuers as a rule endeavour to act fairly towards the landlord as well as the tenant?—The landlord is always represented, and one of the valuers would see that he is done fairly by.

20,925. There is an impression that valuers, as a rule, favour the tenants; is that your opinion?—The class from which the ordinary valuer comes, one would naturally expect that the bias would be towards the tenant. I do not hesitate to say that the natural bias would be so; but

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with the highest class of valuer I am perfectly certain that he would hold a level scale in dealing with either claim.

20,926. I understood you to say that you reduced rents about 25 per cent. on the estate that you manage?—Yes.

Reduction of rent.

20,927. Are the tenants satisfied with the reductions you have made?—I am glad to say that I have had the most perfect good will in dealing with the tenantry, and I have substantial proof of it. But to say that they are satisfied cannot be applied to this or any tenantry in the kingdom. They are in a grievous state of doubt as to how to go on; but they know that the landlord is equally hard hit, and every reasonable concession has been made; and we are endeavouring to go on year by year by an increased expenditure so as to give the tenants a better means still of making their holdings answer.

20,928. Are they paying you what you consider a fair economical rent for the land?—Yes.

20,929. Not more?—Not more; and I would not ask more; and if I were compelled to ask more I would vacate my position.

20,930. Are you aware that a number of tenant farmers are paying 10, 20, and 25 per cent. more than the value of their land at present?—I am not aware of that.

20,931. I happen to know of an estate or two, and I was going to ask you what remedy these tenants can have. They have asked their landlord for a reduction and he will not give any?—If I was asked to go to a farm and give my own opinion upon it I should be better able to answer that question; but as a broad economical question as to men who are paying more than the value of their land, I cannot suggest any remedy more than any man in the street, who could answer it as well as I could. There is no heaven born remedy; if a man gives it up and it is not worth then what he is paying, it seems to me quite clear that no other tenant will succeed to it.

20,932. But you know that it is not an easy matter; that a man considers twice before leaving a farm, whether he is losing or not?—There are some cases of great hardship in every relation of life where men have been obliged to leave, and where they might have been left on. I am quite aware that there are cases. I am quite sure that in the long run that owner will suffer as he deserves.

Judicial rents.

20,933. You have already said that you approve of the principle of referring claims of compensation to valuers or referees; why not apply the same principle to the fixing of fair rents in cases where landlords and tenants cannot agree?—Well, that of course is the old Irish system, of which I entirely disapprove. You at once endorse the dual ownership, with all its concomitant evils, and I am perfectly sure that although there may be a few cases of unmerited hardship, as a rule it would be a very bad system attended with a very large expense; and I do not know who would have to pay for it.

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20,934. Just as in the case of claims for compensation; if landlord and tenant cannot agree it might be referred to arbitration, and why cannot the same thing be done for rent?—But to make it equitable you must make a court for fixing the rents. For instance, a man, for whom I have done a great deal; I go to him and I say, "I expect you to pay 50*l.* a year more rent," and he says, "No, I will not;" then I have a right to go to the court to see if he is paying enough.

20,935. Well, the decision of the court would be perfectly fair?—But I do not think that that is usually contemplated; it is always contemplated on one side, and I do not think that it is possible to make it, unless you make it fair to both.

Compensation for consumption of home-grown corn.

20,936. (*Mr. Little.*) The valuer under present circumstances has frequently to inquire as to feeding stuffs in order to satisfy himself that they have been consumed, I suppose?—He is expected to find the voucher.

20,937. And besides the voucher, has he not, in the case of two occupations used by the same man, often to go into such questions as the number of stock kept, and the character of that stock, and it would be only an extension of that, his inquiring into the home-grown corn consumed?—That would be so.

20,938. If he should be satisfied that a certain number of stock were kept on the farm, that would be sufficient to account for the amount consumed?—But there is nothing like a settled bill to settle the value.

20,939. No; but if you establish by witnesses that a number of stock were fed upon wheat for a certain time, that would go a long way to prove the consumption of a certain quantity of wheat?—I think so.

20,940. Whether grown by the farmer himself or another would not matter?—No.

20,941–3. Though there may be a difficulty it is one that a capable valuer would overcome?—Besides it is the tenant's business.

20,944. Throwing the onus of proof upon the tenant, no hardship would be entailed upon the landlord in having to pay the manurial value of that which has been proved to have been consumed?—No. The objection to giving compensation for home-grown corn is the great opportunity it gives for fraud. Allegations may be made by an unscrupulous man for which an incoming tenant may be charged.

The witness withdrew.

Adjourned till to-morrow at 12 o'clock.

Thirty-ninth Day.

Friday, 25th May 1894.

PRESENT:

THE RIGHT HON. GEORGE JOHN SHAW-LEFEVRE, M.P., IN THE CHAIR.

Viscount COBHAM.
The Right Hon. HENRY CHAPLIN, M.P.
Sir ROBERT NIGEL FITZHARDINGE KINGSCOTE, K.C.B.
ROBERT GIFFEN, Esq., C.B.
Captain OWEN THOMAS.
FRANCIS ALLSTON CHANNING, Esq., M.P.
JOHN CLAY, Esq.
CORNELIUS NEALE DALTON, Esq., C.B.
ROBERT LACEY EVERETT, Esq., M.P.
JOHN GILMOUR, Esq.
GEORGE LAMBERT, Esq., M.P.
WILLIAM CUTLACK LITTLE, Esq.
CHARLES WHITEHEAD, Esq., F.L.S.

HERBERT LYON, Esq., *Secretary.*
R. F. CRAWFORD, Esq., *Assistant Secretary.*

Rev. A. L. Sparkes, M.A., B.Sc.
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The Rev. A. L. SPARKES, M.A., B.Sc., called and examined.

20,945. (*Viscount Cobham.*) I think you are a beneficed clergyman in the county of Leicester?—Yes, I am vicar of Worthington, near Ashby-de-la-Zouch.

20,946. And you are here as representing the Leicestershire Farmers' Union?—Yes.

20,947. Is that a large Association?—There were 1,500 members in it at Christmas when the subscriptions were paid, and I was the founder of that Union.

20,948. Does it consist of Leicestershire farmers exclusively?—Yes.

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20,949. Do you know how many acres they represent?—No, I do not.

20,950. (*Sir Nigel Kingscote.*) Are they all tenant farmers?—Yes, they are all tenant farmers.

20,951. (*Viscount Cobham.*) I believe you received scientific training, but you are not a practical farmer?—I am not a practical farmer. I was trained in London and received a scientific education, and partly in other places. I took the degree of B.Sc. in London University in botany, geology, and chemistry, and those are the chief sciences concerned in agriculture. I have trained pupils for examination in the scientific principles of agriculture, and when the Adulteration of Foods and Drugs Act came into force I was a layman, and then I was at the head of the scientific departments of various institutions in Staffordshire, of which the present financial secretary of the War Office was the chairman, Mr. Woodall. I was also chemist to the British Gas Light Company's Works in North Staffordshire, and was one of the first appointed analysts for the borough by the Corporation of Hanley. My scientific training has led me to observe more carefully than those who have not possessed that scientific training, and it has helped me to form correct inferences of what I have seen in different parts of the world.

20,952. Have you travelled with the view of investigating agricultural problems?—Not specially with that object. I was chaplain to the railway companies in South America. I travelled over the Barley Estancias on the northern side of the Pampas, and on the rice and sugar fields at Salta. I have been a good deal also on the Continent and I have learned sufficient of practical farming in my travels to satisfy me that the land of England is cultivated better than that of Ireland, and the land of Normandy is cultivated better than either of them.

20,953. How long have you been in Leicestershire?—It is my native county, but I was away from it a good many years. I have been back in Leicestershire now four years, and my direct interest in agriculture began when I was appointed to the vicarage of Worthington, two years last January. I was a landlord for the first time by my induction to the living.

Railway rates for milk.

20,954. You do not farm your glebe?—No, I let it. I found that half the inhabitants of the parish were engaged in agriculture, and the farms were from 50 to 250 acres: they all send their milk away, some to London and some to Newcastle-on-Tyne. In my investigations on milk rates I found that 40 cans or churns were sent from the parish every day. The farmers thought then that the sending away of milk was the only profitable part of their business, and I think one reason why they have that impression is that the returns are so quick; they are paid for their milk 12 times a year, and they turn over a certain part of their money 12 times a year; that is the reason why it pays so well.

20,955. Was there an increase in the milk rates in 1893?—There is no increase in the milk rates now. We fought the railway companies, and the rates for milk now are just the same as in 1892.

20,956. You took a considerable part in the agitation, and that has given you some insight into tenant farming in Leicestershire?—I felt a great deal of sympathy for my flock who were oppressed with these rates. If they had not been successfully resisted they would have increased the carriage nearly 50 per cent.

Condition of farmers in Leicestershire.

20,957. Have you seen much of England with a view to ascertain the amount of depression in various parts of it? Yes, I know Northumberland very well, but Leicestershire is the only county which I think I know thoroughly.

20,958. What has been the result of your inquiries in Leicestershire?—My impression is that 20 tenant farmers could not be found who are in a fairly good position, all through the county.

20,959. But comparing them with other counties how does Leicestershire stand?—I think in Leicestershire that the depression is not so acute as in some other counties. I have been occasionally down into Essex, and the depression in Leicestershire is not anything like so acute as it is there.

Reduction of rent.

20,960–1. You calculate the general reduction of rent at 25 per cent.?—It is about 25 per cent.

Land in hand.

20,962. Landlords have suffered in other respects also, have they not?—They have suffered also in having land left upon their hands, and that land is greatly increasing now.

20,963. Has that as a rule been a loss to them?—Yes, in all cases that I know. One gentleman whom I know very intimately has had two farms upon his hands for two years, and cultivated them himself; they were both 250 acres, and in making up a balance sheet of his profit and loss he has found that he has lost 700*l.* in two years.

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20,964. They were no doubt taken over in a very bad state of cultivation?—Probably they might have been.

Landlord's outlay.

20,965. Have the landlords incurred losses by being obliged to incur a heavy outlay, for which they have received no interest, in the hope of keeping up their estates?—Some few landlords have been very liberal in making permanent improvements, but I do not think that landlords generally in Leicestershire have been liberal at all in that respect. I know one case well, where a farmer pays 950*l.* a year rent. He keeps 51 cows, and when I visited his house I could have put my hand between the windows and the wall in several of the rooms.

20,966. Is that on a large estate?—That is on a very large estate indeed, and that farmer pays 950*l.* a year rent, and has taken more prizes for good cultivation than any other man in the county of Leicestershire. Yet he could not get his owner to put his windows straight for him. If I were to venture upon any description of the dairy where the milk of 51 cows is taken, I think I should surprise you all at the condition in which that dairy is.

Condition of dairies.

20,967. Is that the case generally throughout the county?—No, as a rule the dairies are in a good condition. That is an exceptional case. The dairy is not more than about 12 feet square, as far as I can estimate. It is a very bad floor for his wife to stand upon. He has made repeated applications to his owner to make a suitable dairy for his farm, and to repair his house, but in all cases that has been refused.

20,968. That is an exceptional case?—That is an exceptional case so far as the dairies go.

Value of land.

20,969. Has there been a great decline in the value of land?—Undoubtedly; the information I have upon that is hearsay. I have made inquiries from land agents and auctioneers who have told me that the land of Leicestershire would not fetch in the market half what it would even five years ago.

20,970. Although rents have not fallen to the same extent?—Not to the same extent.

Position the clergy in Leicestershire.

20,971. You probably know the position of the clergy of the county very well; have they suffered much?—I think the clergy have suffered most of all amongst landlords. In the first instance they have reduced their rents as much as other owners, and I am sorry to say that their tithes are only worth 75 per cent. now; and what is more, owing to the depressed condition of the farmers, the clergy do not get the same help in their collections to increase their stipends as they used to do. In my case two years ago the farmers subscribed 17*l.* a year to increase the stipend of the vicar, but 12 months last Easter when the collection was made I only got 5*l.*, and it is not because I was unpopular, as you can easily understand from the action I took on the milk rates, but they could not afford to give anything, and last year I would not allow any collection to be made, so that I have lost 17*l.* in my income in that way. Then from another source I received 20*l.* a year; that has been reduced to 10*l.* That is the Rustats Charity. The income of the living of Worthington from that was 20*l.* a year, but the commissioners of that charity have been obliged to reduce it to 10*l.* on account of the shortness of funds.

20,972–3. Do many incumbents farm their own glebes?—I do not know any case. My own income when I went there was 140*l.* a year, and I estimate now that it is worth 105*l.* nett.

Character of farming.

20,974–5. How is the land being farmed—I mean as to the character of the farming; is it well maintained?—It is chiefly pasturage; there are some very good farmers in my parish and some very bad ones. I was looking at a field in my parish the other day which I estimated to be about 10 to 12 acres in area, and I noticed when the drill had been turned round the man who was making the drills omitted about a foot at each turn, and I calculated that by multiplying that by the number of times the drill had gone round that there would be a loss of half an acre in that field. As a rule the farms are well cultivated.

Land out of cultivation.

20,976. Do you know of any land out of cultivation?—I have sent a list of all the land unoccupied, and in the statistics I have given a summary of it. You will find it at page 2 of my summary of statistics as to the condition of agriculture in Leicestershire—"land unoccupied or taken in hand."

20,977. I was not including the land taken in hand but the land absolutely abandoned?—I do not know of any absolutely abandoned.

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20,978. In Leicestershire the land would always grow grass of a sort?—I do not think that any land has fallen below the margin of cultivation.

Competition for farms.

20,979. Is there still competition for farms?—Yes; but that is no evidence of absence of depression.

20,980. Did you not say that a great many landlords have got land in hand?—They cultivate it themselves.

20,981. Then there is no competition for those farms?—None; the landlords in that case want too much rent.

20,982. They could have let the land at a rent?—I certainly think so.

20,983. You say that you consider that competition for farms is not any evidence of absence of depression?—I do not think that it is any evidence of the absence of depression because farmers are rivetted to the land, their capital is sunk in it, and their knowledge is practically confined to it; they are not business men as a rule; they are anything but that. They cannot move their invested capital from land, and they cannot take it to any other channel of enterprise; they do not even keep books as a rule.

20,984. But competitors for farms have not their capital sunk in the land?—In many cases they have stayed on other farms till their capital has been almost exhausted.

20,985. Is it the case that farmers are training their sons up as farmers?—It is not generally the case in my parish.

20,986. Then how is the supply of competitors for farms kept up?—It is kept up from persons coming from other parishes and some from Scotland.

Scotch farmers in Leicestershire.

20,987. You have some Scotch farmers then?—We have not one in our parish, but I know a great many in the county.

20,988. Do you know how they are doing?—They tell me that Scotch farmers cannot make farms pay that other persons have left; but they go on till they have taken everything out of the farm that the farmer who has left has put in.

20,989. Do they farm in a manner to make it pay?—Yes; whenever I see a Scotch farmer I see him at work more like a labourer than anything else. A farmer cannot move from his farm to another channel of enterprise, as I said before, and the unrest shown by the change of farms appears to show a certain amount of depression. When a tenant moves from one farm to another he sometimes gets a new lease in life. Then another thing that acts on competition for farms is that when a tradesman has made money in his business, and, wants to retire, the first thing he thinks about is to find a farm to cultivate. That accounts for some part of the competition. Leicester is a very prosperous town indeed, and nearly all the manufacturers when they find they have made as much money as will enable them to retire, take a farm and try to cultivate it.

Competition for farms.

20,990. They give too much rent for it?—Yes, the rent is a matter of small consequence to them.

20,991. And that competition has maintained rents generally, or has assisted to do so?—That tends to keep rents high.

Law of distress.

20,992. Are there many small holdings, that is, under 50 acres, in Leicestershire?—I do not think there are. I think, if I might go back for a moment, I might say there is another thing which makes the unnatural competition for farms, and that is the present power of distraint that the landlord has. It seems to me that a landlord does not ask himself in the competition for farms who has the capital to cultivate a farm best, but he asks himself which man will pay the most rent. If he can only see that the high rent can be paid his power of distraint justifies him in accepting that man rather than a man with more capital, because the instant that the tenant has put stock upon the farm the landlord has practically a bill of sale upon that stock. That keeps up competition. The man with a small capital will offer a higher rent than a man with a large capital. A great deal of competition for farms is due to this.

20,993. Surely a man with the greater capital is the most likely to be able to maintain his payment of rent?—Yes, a man with a larger capital would very probably offer a smaller amount of rent; he would be more independent than a man with a smaller capital.

20,994. What alteration in the law of distraint would you suggest?—I should put the landowner upon the same level as any other creditor.

20,995. Of course the landlord would require his rent to be paid to the day in that case?—I do not see why he should not have the same power as anyone else in collecting what is due to him; but why should he have more power over the assets of a tenant than any other creditor.

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20,996. Would that reduce the competition for farms; is that a good thing, do you think?—Yes, I think that the power of distraint is altogether a bad thing for tenants.

20,997. My question is whether it is advisable to reduce competition for farms?—The repeal of the power of distraint would reduce it.

20,998. Would that be in the interest of the public?—It is in the interest of the tenant.

20,999. Would not more land go out of cultivation?—I do not see that it would. It appears to me that it would have a tendency to keep land in cultivation rather than otherwise.

21,000. You reduce the competition for farms to those men who are able to pay in advance; would not that be the case if the law of distraint were abolished?—No; I think that a man with a smaller capital would have a smaller farm, and a man with a larger capital would take a larger farm.

21,001. You think that although competition for farms would be reduced, still the farms would be taken?—Yes; not only that, but with regard to the law of distraint I know one or two cases where the power of distraint has been cruelly exercised.

Large and small farms compared.

21,002. Do you see much difference in the amount of depression weighing upon different classes of farmers?—I think large and small holders have suffered equally in the depression; but the depression is less apparent amongst small holders than large ones.

21,003–4. Is that because they do not charge for their own labour on their farms?—That is one reason. The small farmers are also more thrifty; the farmer does the work of one labourer himself, and the members of his family do work without receiving any money. I have an instance of that in my parish; a farmer has two sons and a daughter. When he was married he took the farm that he has now and stocked it with the money that he and his wife had saved by their industry before marriage—money paid by their parents. But if that farmer were to die now his children would not be able to take that farm and succeed him because they have worked so many years without any payment, they would not have the capital to do it, even if the parents had the same capital as they had when they began life together, when it was divided among the three children it would be insufficient for one of them to take that farm.

21,005. Small farmers are just able to make a living, I suppose?—They are just able with the work of their children—practically their sons and their daughters are maintaining them. If they were to pay their sons and their daughters for their labour they would not be able to support themselves.

Dairying

21,006. How is the dairy industry faring in Leicestershire?—The depression is less severe amongst dairy farmers who send the milk away; and least of all amongst those who are near enough to a town to supply the milk direct to the consumer.

Railway rates for milk.

21,007. Have you anything to add to what you have told us about the milk rates?—Well, the railway companies would not listen to us; and after the meeting had been held in my parish they would not even receive a deputation. I wrote to every Member of Parliament that I knew, and made a statement of the case, and that brought it under the notice of Mr. Mundella at the Board of Trade. We worked hard for two months against these rates, and the railway company threatened at one time that they would not carry the milk at all, but they did not carry that out for reasons I need not mention.

21,008. You mean by passenger train?—Yes; at the end of two months we so far gained our victory that the railway companies reduced the milk rates to the old standard, with the exception that 1*d.* per churn extra was placed upon it. But we objected to that; there was as much opposition to that as the raising of the rates before. But at the end of another month they came back to the old rates, and they refunded the whole of the money that they had charged for the excess rates for all the milk senders in Leicestershire.

21,009. Do you think that the farmers can afford to pay the present rates?—The present rates in Leicestershire are just the same as they were, but they are not so high

as in other parts of the country. The only railway companies who have reduced the rates to 1892 scale are those three lines running through Leicestershire, the Midland, the London and North-Western, and the Great Northern. I have collected for the use of the Commission all the milk rates in the whole of England.

21,010. I do not think that we can go into the general question of milk rates, but the present rate you consider a fair one?—It is satisfactory.

21,011. Have you any suggestions to make with regard to the milk rates, or any other portion of the dairy farming industry?—There are a number of suggestions I have written on my returns in regard to the mode of carrying the milk. I think that the milk should be in a closed vessel and not left open to be tampered with. The Adulteration Act is very stringent and every care should be taken in transit. I think it would be better to carry it in 10 lbs. instead of per gallon, and in sealed cans, so that the railway officials would not tamper with it. I know of more than one case in which consignees have found cups inside the cans; the cups being there one is obliged to draw a certain inference, which it is somewhat unpleasant to make.

Price of milk.

21,012. Have you any other suggestions to make with regard to the trade?—I think not in respect of the milk rates. I think the depression will shortly be as great amongst milk senders as amongst other farmers. The milk has decreased in price 1*d.* per gallon within the last 12 months in Leicestershire.

21,013-4. But that is since the rise of last year?—Yes; there was a special rise last year on account of the drought.

21,015. (*Mr. R. Giffen.*) What is the price now?—6*d.* per imperial gallon; the rise in price was only on account of the drought. I was at Richmond, in Surrey, in the middle of the summer, and I met a boy selling milk in the street. I asked him how much his milk was per quart, and he said 8*d.* I said, "How is it that it is so dear at "Richmond?" and he made the reply, "If you please, "sir, we have not any water."

Specially depressed districts.

21,016. Can you point out any areas of special depression in Leicestershire?—The areas of special depression are these: If a straight line were drawn from Wigston to Humberstone, another from Loughborough to Castle Donnington, and another from Castle Donnington to Breedon, and another line drawn round Hinckley, and then from Hinckley to Ashby-de-la-Zouch, that would pass over the most depressed parts of the county. I have been to every village in those districts to make inquiries.

21,017. To what do you attribute the severity of the depression in those districts?—In all these cases the depression is due to high rents. I found that many of the landlords have not reduced some of their rents for years.

21,018. On ordinary agricultural land?—Yes.

21,019. On large and small estates alike?—Yes, generally speaking. All round Hinckley there were a number of small occupiers; men who could scarcely be called farmers, because whilst cultivating a piece of land they are carriers, some of them keep shops, others are blacksmiths, and all have some means of livelihood besides cultivation of lands; I do not admit them as being farmers; I call them occupiers; nearly all these have been unfortunate.

Reductions of rent.

21,020. Do you know of large agricultural estates where they have not reduced their rents since 1879?—Not since 1879, but I could mention many farms that have not been reduced since 1883. I know there are many farms in which the rents have not been reduced. In the neighbourhood of Melton Mowbray and Belvoir I find that the tenants seem to be more satisfied than in any other part of the county, and rents there have been greatly reduced.

21,021. You say the reduction has been on an average 25 per cent. There must be many estates in which the reduction has been a great deal more?—Yes; I think the Duke of Rutland's is one of them.

21,022. Can you say from your own knowledge what the reduction has been?—I know in a few cases that it is more than 30 per cent.

Specially depressed districts.

21,023. Have you any other reason to bring forward to account for the special depression in some districts; is the land of a poorer quality?—The land is of a poorer quality in some places.

21,024. And of a more mixed cultivation?—Yes.

Depression amongst grass farmers.

21,025. Do the grass farmers suffer less than the mixed farmers?—Opinions do not agree on that subject in Leicestershire. The large farmers say that they have suffered the depression just in proportion to the quantity of land that they have. But I am obliged to disagree with them, because I find so many with large farms who are anxious to get the next piece of land adjoining to increase the size of their farms; therefore I do not think that they have suffered on account of the quantity of land they have, or they would not be ready to take more land.

21,026. Do the large grass-farmers go in much for dairying as well as feeding?—Yes, all of them, I think.

Tenant's capital.

21,027. There has been a considerable loss of capital, no doubt, amongst the farming class?—Yes, I think so; I think I can prove that from the Board of Agriculture's own returns.

21,028. We may take that as proved?—Yes.

Agricultural statistics, 1892 and 1893.

21,029. Can you point out the amount of loss?—I think I can approximately. Comparing 1892 and 1893 together, we find that in 1893 there were 1,035 acres laid down to pasture in the 12 months.

21,030. (*Mr. Lambert.*) Are you speaking entirely of Leicester?—Yes; we find though that quantity of land was laid down that the number of cows in milk and calf in 1893 was 1,842 less than in the year 1892. We find that the other cattle were 7,206 fewer than in 1892. We find there were fewer horses by 257, and we find also that the number of sheep has decreased in the 12 months to the number of 26,627. Pigs have decreased to 658. It appears to me very strong evidence that the tenants are getting short of funds, and that they are paying rent out of capital.

21,031. (*Viscount Cobham.*) Is not the decrease due to the exceptional conditions of last year?—The returns from which these calculations are made are dated the 5th of June; and on the 5th of June the drought had not had any serious effect upon farms. Comparing it with four years ago, we find in four years 6,704 acres laid down to pasture, but fewer cows than there were four years ago by 22; the number of sheep has decreased in the last four years by 2,058. That proves that the farmers have been paying rent out of capital for four years.

21,032. As to the stock generally, what are the figures?—That has gone down, although the number of acres of pasture has increased.

21,033. You have given the figures for cows and sheep, but not for other descriptions of stock?—I have given all the kinds of stock that are given in the returns of the Board of Agriculture.

21,034. Practically the number of cows remain the same; you say the number of sheep has diminished; has stock generally decreased? We have not got that, and we cannot tell what the general effect of the figures are without that. Farmers may have given up dairying and taken up feeding.

21,035. Do you mean for the last four years?—Yes. You will find the statement of four years ago in the returns I have sent up; but I do not find that any kind of cattle has increased in number in the returns. I have not the return with me for 1890, but they are in the manuscript of the statistics which were sent up to the Commission. We could soon find it out.

21,036-7. (*Mr. Lambert.*) What years are you comparing?—1892 and 1893.

21,038. You compare 1892 with 1893 and in that year there were 1,035 more acres in permanent pasture and 1,842 less cows kept?—Yes.

21,039. (*Viscount Cobham.*) But taking that comparison, you would not say that grass laid down in the first year would necessarily carry as many cattle as land retained in arable cultivation?—No; but there is not an equality between the two; there are not as many as before the 1,035 acres were laid down. There is evidently a loss of capital because the farmers have had to sell their stock to pay their rents.

21,040. If you could give the comparison for four years ago, it would be useful?—It would be very similar to what I have given for the two years.

21,041. (*Mr. Little.*) Do you compare 1882 or 1883 with the present time?—No; I have 1882 and 1883.

1882 and 1892.

21,042. I suppose you would say that 1882 was a period of comparative prosperity, as compared with 1892?—Yes.

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21,043. Then your figures would scarcely be convincing if the number of all sorts of cattle, horses, and sheep have increased since 1882?—I should expect them to increase to the amount of the land laid down to pasture.

21,044. But if the number of stock is an evidence of comparative prosperity, or of depression, an increase of stock since 1882 would show that 1892 was better than 1882?—If the increase were more than the additional land laid down.

21,045. You are aware probably that with the increase of grass land, the number of sheep generally decreases, that a larger quantity of sheep are kept on arable land than grass land?—Yes.

21,046. And therefore the comparison would be principally as regards cattle. I see that in 1882 there were 36,600 cows; and in 1892 there were 30,358 cows; but the whole number of cattle of all kinds was 144,000 in 1883, and 189,000 in 1893; sheep have increased from 277,000 in 1882 to 342,000 in 1893?—How much land was laid down in the period?

21,046*a*. I have not gone into that?—My impression is that 30,000 acres would be laid down in that period.

The currency.

21,047. (*Viscount Cobham.*) I see in your proof you mention the effect of the appreciation of gold, are you an expert on that question?—I have read a good deal of discussion on the subject. It appears to me that the appreciation of gold has had some effect upon the price of agricultural produce; but I see no reason why it should produce any more effect upon that than other imported articles.

21,048. (*Mr. Giffen.*) In what sense do you use the words "appreciation of gold"?—I mean this: At the present time two sovereigns will probably buy as much imported produce as three sovereigns would buy 20 years ago. That is the sense in which I mean the appreciation of gold. The purchasing power of gold has increased, and I think we are all agreed upon that subject in Leicestershire.

21,049. Then it is an effect and not a cause, is that what you say?—The appreciation of gold is an effect. I think it is the effect of two things if I may offer an opinion upon it. It is first of all the effect of too small a number of sovereigns being in circulation, and that is caused by two things, first of all the custom of wearing gold ornaments has used up a considerable quantity of gold; and another thing which is worthy of consideration is this: the general acceptance by other nations of our sovereign as a medium of exchange. I have travelled a good deal in South America, and I remember very well handing an English sovereign to pay my hotel bill at Salta (at that very remote place which is now so notorious), and the hotel keeper knew the value of it and gave me the correct change. I had a similar experience at Buenos Ayres.

21,050. In what sense do you mean that the appreciation of gold is a cause of low prices?—I have formed no opinion practically on the theory of bimetallism. I really do not understand it except that I believe the deficiency in the quantity of gold arises from the two causes mentioned.

Foreign competition and low prices.

21,051. (*Viscount Cobham.*) What meaning do you attach to foreign competition having an effect upon the present depression?—That is a matter of almost supreme importance in my mind. If low prices were the cause of depression, that depression would exist wherever low prices are, but that certainly is not the case.

21,052. You consider that low prices are almost wholly the effect of foreign competition?—Not wholly, but almost wholly.

21,053. (*Mr. Everett.*) Can you tell us where there is no depression, where they have low prices also?—I will tell you. I have the Statistical Abstract for the United States here. In 1873 in some States the average price of corn was the same as it is now, yet the quantity of land brought into cultivation in those places has increased enormously in the 20 years.

21,054. Before we go any further, I do not think that any gentleman sitting at this table can believe that statement, that the price of corn was as low in 1873 as it is to-day?—Well, those are the statistics.

Prices of corn in the United States.

21,055. (*Mr. Giffen.*) If you give the particulars will you mention the place and the prices?—I take the case of Minnesota. In 1873 the average price of corn was 41 cents per bushel.

21,056. What is the authority for that statement?—The Statistical Abstract of the United States. There are in this book columns of the numbers of bushels produced, and their value from which the calculations are made.

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21,057. In what way were the prices arrived at?—By dividing the prices realised by the number of bushels produced, which are given in this book.

21,058. How did you get the prices realised?—In 1873 the average price was 41 cents according to these returns.

21,059. How did they get it—how did they know the prices realised over a large space?—I get it from the United States Government statistics. They give the number of bushels produced in the States, and the value of those bushels on the spot.

21,060. How did they get at the value?—I cannot tell that. This is an official statement of the Government, and I am bound to take it as being correct.

21,061. (*Mr. Lambert.*) Can you give us a summary of it?—In 1873 the average price of corn was 41 cents per bushel; in 1883 it was 42 cents per bushel; and in 1893 it was 34 cents per bushel. There was a decline of 7 cents per bushel during the 20 years, and yet the land brought under cultivation was increased fourfold; therefore, those low prices must have paid the people of Minnesota.

21,062. (*Mr. Whitehead.*) I think you are giving us the figures for "corn," which means Indian corn, not wheat?—It includes all sorts of corn.

21,063. (*Viscount Cobham.*) "Corn" is Indian corn only, it is not wheat, you will see wheat under a separate head?—It is the corn crop. I do not think any other kind of corn is given separately in these statistics; I think all the corn is put together. But even if it is Indian corn alone, it supports my statement. There was four times as much land brought into cultivation in that State as in 1873.

21,064. (*Mr. Giffen.*) Was the price in 1873 the price in paper or in gold?—In gold, I should say.

21,065. Are you sure?—Yes, I think it would be in gold.

21,066. Was that not a time of inconvertible paper in the United States, when the gold was at a premium of 15 per cent.?—(*No answer.*)

21,067. (*Mr. Lambert.*) I see there is in this book the estimated product of the wheat crop; so, perhaps, you could give us similar figures for wheat?—They could only be calculated.

21,068. Would you put them in your evidence later?—I will do the calculation with pleasure, and send the figures for publication if you wish. In many other States prices were nearly as low in 1873 as in 1893, notably in Indiana, Iowa, and Delaware.

21,069. (*Viscount Cobham.*) Are you sure that you have got the wheat figures in what you have just been giving us?—I have taken "corn" as being the sum total of all cereal crops.

21,070. That is clearly a mistake. "Corn" is Indian corn exclusively. Perhaps you will supplement your evidence by looking at those figures again?—Yes, I will.

Low prices.

21,071. To what other cause besides foreign competition do you attribute the prevailing low prices?—I think the present low prices are the result of progress. The land in England is extremely limited in quantity, while the population is on the increase; that would tend to make prices higher, were it not that the locomotive power of steam has practically brought millions of acres of other land close to us. That has destroyed the land monopoly so far as the price of produce is concerned. The new land that is brought to us is to my mind as good as our own, possibly better. The natural result of that is that although English land and its produce are decreasing in value and must continue to decrease, the earth's surface is getting almost into one piece, and the value of land in one place affects its value in others. It seems to me that English land is going down in price, that American land is rising in price, and that the two are tending to a state of equilibrium, and that that state of equilibrium will be the value of American land plus the cost of bringing its produce to the centre of population. English land is going down to that and American land is rising to it. That appears to me to be the cause of the depression.

Cost of wheat growing in Kansas.

21,072. And you see no immediate prospect of any rise in prices?—No, I do not. It seems to me from evidence that I have from other parts of America that there is no possibility of an increase of price. I have letters from a gentleman in the State of Kansas, for instance. He says that it pays him to grow wheat at 2 dollars 24 cents per quarter—that is 9*s*. 4*d*. per quarter; and he says also that he can grow wheat and get another crop off the same land

in the year. Take it at 10*s.* per quarter; then we could get it into Liverpool at 11*s.* 4*d.*, because it costs 1*s.* 4*d.* per quarter to bring it across.

21,073. Are you speaking of wheat?—Yes.

21,074. (*Mr. Giffen.*) How far is Kansas from the seaboard?—That is some distance from the seaboard.

21,075. (*Mr. Lambert.*) What did you say it cost him?—2 dollars 24 cents; and it could be got into Liverpool at 11*s.* 4*d.* per quarter—so he says. As the railways of America are developed, so the cost of bringing the produce to the sea-shore will decrease. At the present time at Florida wheat is very much dearer than it is in the interior of America; but as the railways are developed so the prices will tend to equality, and after a time we shall get wheat from Florida at little more than the Kansas price.

Depression amongst American farmers.

21,076. (*Viscount Cobham.*) Have you not heard of the existence of great depression amongst the American wheat growers?—It is denied most emphatically by the Department of Agriculture of America. I sent over to them a cutting from a newspaper in which the farmers of Dakota and Minnesota were said to be making a stampede from the country on account of the low prices. They deny that that is the cause of the stampede. They say the cause of the stampede is that the farmers all suffer from want of railway communication to carry their produce to the centre of population, and that the farmers are leaving for the sake of taking up new land which is now being opened up in Florida. I have a map of it here. Three thousand square miles are now for sale in Florida, and the farmers from Dakota and Minnesota are going to get it. They like a more genial climate.

Wheat growing in Florida.

21,077. (*Mr. Whitehead.*) Is that a wheat-growing climate?—Yes; they can grow a crop of wheat in Florida, I am told in one of the letters, and another crop of another kind afterwards in the same year.

21,078. (*Viscount Cobham.*) Is it owing to that quality of the soil that they are able to make a profit even out of 9*s.* 4*d.* per quarter?—Yes.

21,079. (*Mr. Giffen.*) What extent of acreage is there in Florida available for wheat growing?—I do not know, but I can tell you how much is now cultivated.

21,080. (*Mr. Whitehead.*) As wheat land do you mean?—Yes, as wheat land. I do not think I have the information for Florida here.

21,081. Florida is surely below the wheat-growing line—it must be I think?—I have the information for the next State to it—Georgia.

21,082. The climate would not suit wheat-growing in Florida, I believe?—Here is an account of the Florida land illustrated.

Reductions in rent.

21,083. (*Viscount Cobham.*) To revert to what you said before, you are of the opinion that the owners in Leicestershire have not recognised the decreasing value of land to a sufficient extent, and that rents should be further reduced; what evidence have you to give as to the further reduction of rent which in your opinion is necessary?—My evidence is nothing more than this:—The Leicestershire tenant farmers think that if their rents were reduced in proportion to the decrease in the selling value of land they would be quite satisfied and would be fairly well off. At present I do not think there are 20 farmers in Leicestershire who are fairly well off.

21,084. The selling value has decreased about 50 per cent.?—Yes.

21,085. And that decrease in the rents you think would meet the position, but in this statement of yours you go a good deal beyond that, I think you show, or at all events many of your informants try to show that if no rent at all was paid still there would be a loss on farming?—Some of them say so, and there is no doubt that it would be so, but I think a good deal of that would be due to bad farming. I have only put their opinions, not my own, on that paper. In collecting those statistics I put away all my own opinions altogether.

21,086. The "General Notes on the Summary" I thought embodied your opinion?—No, that is an abstract of the opinions of others.

21,087. Do you think your informants have given sufficient weight to the reduction of expenses in many directions which have been possible in late years, such as the increased cheapness of feeding stuffs and manures?—I think those things are all cheaper than they were a few years ago. The farmers generally say that if a reduction of rent of 30 per cent. were made they could carry on very well and they would be satisfied.

21,088. Thirty per cent. on the present rent?—Yes.

21,089. Have you anything to say as to the present system of rating?—I think the present system of rating tenant farmers is altogether an unfair one.

Rates

21,090. In what respects?—The rents of land have not fallen in proportion to the selling value of the land, and the tenant has to pay rates upon the rent, that is upon the former value of the land, not the present value. That is one objection. Then I think the payment of rates by tenants is particularly objectionable, because it is a tax on circulating capital. I object to rates on land being charged to tenants on that ground.

21,091. Would you put the payment of the rates upon the landowners?—Yes, I think that so far as the rates upon land are just, the owner ought to pay them, especially as they are for permanent improvements.

21,092. Of course if the landowners pay the rates they would have the administration of the rates?—That is not always the policy in this country, I think. In my own parish I think the persons who will pay the rates when the new Parish Council Bill comes into operation will not have the power in the Council.

21,093. Do you see no objection to that in theory?—I see a great objection to it in theory, but I fear my policy will never be arrived at.

Rural depopulation.

21,094. What has the effect of the depression been upon the agricultural labourers—upon their number to begin with?—The number of agricultural labourers has greatly decreased in Leicestershire. That is owing to a number of causes, first of all, to the increase in the pasturage—for less labour I think is required upon pastureland than upon any other.

21,095. Would that be the main cause?—That is one of the main causes.

21,096. Have you got the figures of the diminution of the labouring population?—No, I have not. Then I think the diminution of the wages fund by excessive rents and rates is the cause of many agricultural labourers going away. The farmers cannot afford to pay them wages, as the wages fund is practically destroyed by excessive rents and rates.

Labourers' houses.

21,097. Then the standard of cultivation must have fallen?—Yes, it must necessarily. Then again the deficiency of capital which has been proved by these statistics is also part of the causes of the agricultural labourer going away. Then there are the attractions of towns. There are better paid occupations there than in the country. There are many advantages in town life. Above all things I think there is this cause, a want in the country of better dwellings. It is really painful to me to see the houses in which some people are obliged to live. If there were other houses for them to go into, I would have many of the families turned out of the houses they are in now. Neither landowners nor tenant farmers appear to me to take any interest whatever in the agricultural labourers. They give them any kind of houses to live in.

21,098. In whose hands are these houses, do they belong to the landowners?—Yes.

21,099. Are they let to the tenant farmers?—They are let direct to the agricultural labourers by the owner of the land in most cases.

21,100. Would you say that is the case generally throughout the county?—I do not say that is the case generally throughout the county; I am only speaking of my own parish now. But throughout the county I think there is great reason to complain of the way that agricultural labourers are treated with regard to their dwellings.

21,101. Has there not been an improvement in that respect of late years?—I have not seen much of it. The other day a member of Parliament said to me, "I know a "case not far from where I live where a man is obliged to "move his bed away to get away from the wet which comes "through the roof." I can find houses where a man could not do that, he could not move his bed so as to escape the rain coming through upon him.

21,102. Do you say that the houses are so bad as to actually drive the agricultural population into the towns?—I have no doubt whatever that that is one of the causes which has led to the agricultural population going into the towns.

21,103. Do they get better houses in the towns?—Certainly.

21,104. At what rents?—I do not think rents are very much higher in the towns than in the country. I can

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picture to myself a house for which I know 2*s.* is paid, and I am sure that if that house were in a town—if it were on the outskirts of the town or in a court—it would be let for 3*s.*

21,105. Is there insufficient accommodation as a rule in these cottages that you are speaking of?—In some cases the accommodation is very bad. I know a case in my parish where a man and his wife and six children are living in two rooms, one upstairs and one down.

21,106. You are speaking more particularly of your own immediate neighbourhood now?—Yes, in that instance.

21,107–10. You do not wish to convey the same impression as to the rest of the county?—I think, myself, from what I have seen in other parts of the county that there requires to be a very great reform in respect to labourers' houses. I think that the Parish Councils Act has failed in one point. I think that Act ought to have provided for the acquisition of land for the purpose of building houses in parishes as well as for allotments. It is very difficult indeed for a working man to get a piece of land in Leicestershire to build a house on; if he has the money to build it he cannot get the land in many places.

Local Government Act, 1894.

21,111. But the main causes of the diminution in the number of agricultural labourers I gather are connected with the depression of agriculture?—Yes.

21,112. And you will not improve the numbers of the labourers or their position until the position of agriculture itself is improved?—That is so.

Condition of the labourers.

21,113. How about the condition of the labourers?—I think their condition is not what it ought to be in this age and in this country.

21,114. Apart from their houses, are their wages well maintained?—Their wages are better than they were 10 years ago no doubt, but I do not think they are what they ought to be now by a very long way.

21,115. The commodities they buy have greatly fallen in cost, have they not?—Yes.

21,116. Therefore, they are better off in that respect?—There would have been a great many more labourers in the towns than there are if it had not been for the allotments. The allotments have kept a great many in the villages.

21,117. Comparatively speaking would you say that the condition of the labourers in Leicestershire has improved within your recollection?—Possibly, but not very greatly.

Allotments.

21,118. Is there a good supply of allotments?—Yes. I find where there are allotments within a reasonable distance, and the rent is reasonable there is no difficulty in letting them.

21,119. Is there a considerable demand for them?—Yes, a very great demand. In my parish there are allotments, but they are of no use, no one will take them for both those reasons, they are too far away from the population and the rents are too high.

21,120. Under favourable conditions would you say that the cultivators do pretty well?—Yes, I think they do.

21,121. Are you speaking now of agricultural labourers exclusively, or of townsmen of all classes?—I speak of those workmen who live in the country, colliers as well as agriculturists.

Agricultural education.

21,122. How is the Technical Instruction Grant administered in your county?—In most places where efforts have been made by the County Council and the Leicestershire Agricultural Society to try to succeed in the teaching of technical science, I am sorry to say the farmers especially do not appreciate it as they ought to do. I say that with very great regret as there is no subject in which I have taken so much interest as the technical education cause. Lectures on butter-making and cheese-making have been given by a very able man indeed, many of them being well attended. Some of those who go make fun of it, and I think I may venture to say that scarcely any go away, and put the principles that are taught into actual operation. Every farmer's wife has a rule of thumb method of making butter, and she thinks that her rule of thumb method is better than anybody else's rule of thumb method. The result of that is that if you see a dozen samples of butter in a shop, you will find they are all of different flavour or different quality; while if you see the same quantity of Danish butter coming from different places it will all be of the same quality.

21,123. Cannot they see that for themselves?—It is very difficult to make them see it.

21,124–5. They must see it in the difference of price that they receive in the market?—The farmers are prejudiced against anything that is new. The great difficulty I have always had with farmers is to overcome their prejudices.

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21,126. Do they derive no benefit from the lectures?—As a rule the farmers look upon these things with something like contempt; that is my impression, and I say it with great regret. I heard of a man the other day selling silicated phosphate of lime. The big name of "silicated" phosphate pleased the minds of some farmers greatly, although silicated phosphate of lime is a phosphate that will add sand to the ground, as far as I understand it.

21,127. Have you any suggestions to make for the improvement of this system of technical education?—My suggestion would be considered a hard one. I should like to see the Education Act altered and education in evening schools made compulsory, until boys and girls are 17 years of age I should make them go to school three nights a week. I think technical education would then have a chance of success, but I am afraid there is no chance and no hope for the present generation of farmers.

21,128. The money in fact is thrown away?—I think so. It is very difficult to get a farmer out of his old groove.

Land tenure.

21,129. What have you to say as to the present system of land tenure?—In Leicestershire we have what is called the custom of the county, and the farmers prefer that to the Agricultural Holdings Act. I think the custom of the county may be summed up by these words—this is the form which is given to me always—"As a farm is taken, "so it must be left." That is the Leicestershire custom of the county.

Custom of the county.

21,130. Do the tenant farmers prefer the custom to the Act?—Yes.

21,131. Why?—They say that the Act is so difficult to understand and so complicated, that the time for notice is too long, and that it is not sufficiently favourable to the sitting tenant.

21,132. So they prefer the custom of the county as being more favourable to them?—Yes.

21,133. Can you give any specific recommendations for improving the Act?—No, none, except what I have put upon those statistics. Fixity of tenure is the great thing they cry out about. I find that land courts do not appear to be at all popular in Leicestershire; men seem to prefer, even at a loss, to be perfectly free to bargain for themselves.

Land courts.

Fixity of tenure.

21,134–5. What do they mean by fixity of tenure?—They have the same idea of fixity of tenure as that which is found in a Bill which was brought in by Mr. William Smith. They think there should be a title to the tenancy of a farmer, and that when a man dies his widow should be able to sell his tenancy, or that if a man wishes to leave the farm he may sell the tenancy to the highest bidder. The argument in favour of it is this: that the condition of the farm is what the tenant has made it, and therefore it ought to be the tenant's property. In that way the competition for farms would be for the benefit of the tenant rather than of the owner. That is the view which the Leicestershire farmers take of it. In regard to land tenure I have some interesting manuscript statistics from the United States, which I do not think have yet been placed before you. On all the farms in the United States taking them at 100, there are 71·63 cultivated by their owners, 18·40 cultivated without the payment of rent in money but by a certain share of the produce, and 9·97 rented for a fixed money value the same as in England.

United States statistics.

Taxation in the United States.

21,136. Is that an official statement?—It is an official statement. It came from the Department of Agriculture in the United States, and it is dated 1890. I have made a calculation for some of the States as well as a general one for the country. Then, again, I have another important paper of the same kind respecting taxation. The assessment valuation in America appears to be made on the same plan as in England. I wrote to ask the question whether the assessment was a tenant's tax, and the reply was that the cultivator of the land, whether tenant or owner, always paid the assessment valuation. I find that that assessment was 1·85 per cent. in 1890, which is about 3½*d.* in the £. That appears to me to cover the tenant's rates.

21,137. (*Mr. Giffen.*) That is on the capital value, is it not?—On the assessed valuation.

21,138. That is on the capital value?—Yes.

21,139. (*Mr. Everett.*) Here it is on the annual value, which is a very different thing?—Yes; that would make a difference in the amount, of course. Then, I believe, that very great benefit would be derived by Leicestershire tenants from the system of agricultural banks which have been suggested.

Agricultural banks.

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21,140. (*Viscount Cobham.*) How would you describe it?—The one I have read about most is the one that was brought out by the Agricultural Banks' Association in London.

21,141. Would you tell us what it is?—I cannot give you all the details of it.

21,142. (*Mr. Lambert.*) It is a kind of co-operation credit, is it not?—It is.

21,143. You think such a system if properly carried out would be of advantage to the tenant?—Yes. It is certainly very valuable in the Argentine Republic; I have heard of it there. Mr. Yerburgh is connected in some way with the one I have heard most of.

21,144. I think such banks sprang up first in Italy, Switzerland, and France?—Yes.

21,145. Would it probably be owing to the fact of the Argentine Republic being populated largely by Italians, that the people's banks have been brought into use there?—I think that is the case.

21,146. (*Sir Nigel Kingscote.*) You told us that the Leicestershire Farmers' Union consisted of 1,500 members, all tenant farmers; how long has that union been in existence?—A little over 12 months. It came into existence very suddenly on account of the railway rates.

21,147. Have you been a member of it all the time?—Yes, I have been secretary of it all the time.

21,148. Did you mainly get it up?—Yes.

21,149. I think you said you had been in your present parish two years?—A little over.

21,150. Your going there was the first time you had an opportunity of any practical work as regards farming?—Yes, it was.

21,151. Do you farm your own glebe land?—No, I let my own land.

21,152. What is the population of your village?—The population of my parish is about 1,000. It consists of three villages situate at the three angles of an equilateral triangle.

21,153. All in the same union?—Yes.

Condition of the labourer.

21,154. You have stated to us in the course of your evidence, that the agricultural labourer is very badly housed?—All over Leicestershire, I think, he is not housed so well as he ought to be.

21,155. You have also given a very decided opinion, that he is very badly off, especially in the last few years, taking him generally?—Yes, but his wages have increased notwithstanding—as I pointed out.

21,156. Then you are totally opposed to the view of the Assistant Commissioner on the Labour Commission, who was sent down into those parts. Speaking of the Melton district he says:—"One verdict prevails in all the districts "alike . . . . . namely, that taking all things into "consideration the agricultural labourers were never so "well off as they have been during the last few years, in "spite of the depression which has caused serious distress "to most of their employers, and to all but the most "wealthy or fortunately situated of the landlords." You disagree entirely with that, do you?—No, I do not disagree with that. I believe they are better off than they used to be, but that is due to the fact that there are fewer of them. Their wages are increased. I think that they are not as well off as they ought to be, and that the wages are not enough now.

Labourers' houses.

21,157. Taking the parts of Leicestershire you have mentioned—Hinckley, Bosworth, and all round there—where there is a good deal of coal industry, I conclude you will be able to tell us whether the miners are very much better housed than the agricultural labourers or not?—Many of the colliers live in the villages, and they have no better chance of getting good houses than the labourers have. I do think many of their houses are not what they ought to be in country villages.

21,158. Neither the miners' nor the agricultural labourers'?—No.

21,159. You gave us a very bad instance of what we should call overcrowding in a cottage in your parish; is there no sanitary authority to prevent such a thing? There is already an Act of Parliament which provides for that, is it never put into execution?—If those persons were turned out of that house, there would not be another house for them to go and live in. I should have had them turned out myself if there had been any possibility of getting another house for them.

21,160. I think you said, your experience being limited to the last two years, that rents were kept up during these last two years by tradesmen of the towns competing for the farms?—Yes, to some extent.

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Competition for farms.

21,161. Do you wish to say that is your experience?—Yes.

21,162. In spite of the bad times they like to put their money into what they think is a very bad trade, is that so?—Yes, they do not go to it for the purpose of making money—they have made money—they go because they like the pleasure of cultivating the land.

21,163. In fact to lose their money?—(*No answer.*)

21,164. May I ask when you were in South America?—I have been back three years now.

21,165. It was before you came to reside in Leicestershire then?—Yes, I was very nearly three years in South America.

21,166. And in Canada, when?—I have only been in South America.

Condition farmers in Leicestershire.

21,167. (*Mr. Whitehead.*) I think you told us that there were not more than 20 tenants in Leicestershire altogether who were practically solvent?—No, I said I did not think there were 20 in the whole county who were fairly well off, those were my words I think.

21,168. Were those your exact words?—Yes.

21,169. (*Mr. Lambert.*) Perhaps you will define what you mean by "fairly well off"?—I should consider that a man was fairly well off when he was getting a fair return for his labour and capital.

21,170. (*Mr. Whitehead.*) You told us at the same time that the depression was not so great in Leicestershire as in other counties?—It is not so great as in Essex.

21,171. Therefore the state of the tenants in those other counties must be very much worse?—I think in Essex, yes.

21,172. There would not be a solvent one there I take it?—I do not know enough to say that, but I know there are farms in Essex which are not supposed to be worth any rent at all.

Average rent.

21,173. What is the amount of the rent paid per acre in your district of Leicestershire?—I should say that it varies from 1*l.* to 2*l.* an acre in my parish.

21,174. Does that apply to Leicestershire generally do you know?—My knowledge is not sufficiently extensive to be able to answer that question.

21,175. I think you told us just now that you were perfectly acquainted with all Leicestershire agriculture?—I know the people, but I do not remember all their rents.

21,176. You could not say what the average rent would be?—No, I have land in my own parish which I could let for 2*l.* an acre very easily.

21,177. (*Viscount Cobham*). Grass land?—Yes.

Reduction in rent.

21,178. (*Mr. Whitehead.*) You said that there has been no reduction of rents in Leicestershire generally, I think?—No, I said that there were cases in Leicestershire where no reduction in rent had been made.

21,179. Would that be in many cases?—I know two or three instances.

21,180. Two or three only?—Yes.

21,181. You led me to understand that there were a great many cases where there had been no reduction?—Many owners have not reduced the rents of some farms at all.

Agricultural education.

21,182. Have you a travelling dairy in your county?—I believe there is one just established but I have not seen it yet.

21,183. Would you advocate that?—Yes, anything in the way of technical education.

21,184. Is there any Agricultural College?—Not in Leicestershire itself.

21,185. Are there any experimental farms?—No, but the County Council give scholarships and send students to Cambridge.

21,186. Under the new system instituted by Mr. Pell?—Yes.

21,187. Have you seen experimental stations in the United States?—No, I have never been in the United States.

21,188. Nor in Canada?—No, my journeys to America were limited to South America.

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21,189. You do not know their working at all?—No, not at all.

Milk factories.

21,190. Are there any factories for milk in Leicestershire?—No, I wish there were. I believe that is one way by which the depression can be greatly reduced amongst milk centres. I have myself made efforts to establish a factory as an experiment. I have had communications with Lord Belper, Lord Denbigh, Lord Ferrers, and some others with the object of getting the capital. But even if the capital were got, it is a very difficult thing to get the farmers to join in these things. I do not think that any butter and cheese factory will pay unless it fulfils certain conditions. I think that any butter and cheese factory would pay well in Leicestershire, first of all, if the milk were paid for as quickly and as regularly as it is paid for by the London dealers, secondly, if the whey or the separated milk was sent back to the persons who send the milk, and thirdly, if all the farmers who supplied milk were shareholders in the factory. Then I think it would pay.

21,191. That would be making it a co-operative concern in fact?—Yes.

21,192. That would ensure a uniform quality of butter?—Yes, it would.

21,193. Is that not the reason why the Danish butter is uniform in quality?—I think it is. I have read books on that subject, and I am of that opinion from what I have read.

21,194. It is not possible to get a uniform quality from different makers by hand?—I have heard it stated by farmers that it would in England be impossible to get a uniform quality of butter as they do in Denmark because the feeding is so different, it is said that cows are fed so differently in the various counties of England that a uniformity of quality and flavour could never be obtained in this country, while in Denmark cattle are all fed on the same plan. But I do not understand that subject myself.

21,195. But the factory system has a great deal to do with the uniformity of quality?—Yes, it would have a very great deal to do with it.

21,196. It would be impossible to get uniformity without some system of that kind?—Quite impossible.

21,197. However much the dairymaids were levelled up to the mark?—Yes.

21,198. That is your opinion, is it?—I quite think so.

Poultry-rearing.

21,199. Is there any poultry rearing in your district?—I have had that tried by one or two farmers; I persuaded them to try it. They say there are a certain number of fowls that can be kept upon a farm, but beyond that number it does not pay. One farmer in Leicestershire, at my suggestion, has planted fowlhouses in different parts of his farm, so as to give the hens an opportunity of running about in different places. That pays very well he thinks, but it has not been gone into yet in any great degree.

21,200. In your opinion would it pay to rear poultry?—I believe it would pay. If a part of the farm were fenced in for the purpose of rearing wild rabbits I believe that would pay also.

21,201. (*Viscount Cobham.*) On good land?—They would not want good land, I think the worse the land is, the better rabbits like it—so far as my experience goes.

Fruit-growing.

21,202. (*Mr. Whitehead.*) I think there is no fruit cultivation in your part of the world, is there?—A gentleman tried the experiment a few years ago, but it has not paid. Besides there is another disadvantage in it; if a farmer were to try it, it would be so long before he got any return for his money. I believe it would be several years before the trees would produce anything.

21,203. He must be helped by his landlord to plant the trees, and so on?—Yes.

Farming in Northumberland.

21,204 (*Mr. Clay.*) You made reference at the beginning of your evidence to Northumberland—how do you find the farming there?—I do not think farming is as good there as it is in Leicestershire; but my observations in Northumberland were limited to the area about the wall that goes across the country just above Newcastle-on-Tyne.

21,205. You were only upon the Roman wall then?—Yes, close up in that direction.

21,206. You would not see very much good farming that way, it goes over the Cheviot Hills?—I have never been over those hills.

21,207. Have you never been in the Vale of the Tweed?—I have never been in the Vale of the Tweed.

21,208. Therefore you do not know very much about the farming of Northumberland?—No.

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21,209. You know about farming in Leicestershire?—Yes.

Condition of farmers in Leicestershire.

21,210. You say the tenants there are very much depressed?—Yes.

21,211. There is want of capital?—Yes.

21,212. And want of energy?—There may possibly be something in that, but I find Leicestershire farmers an industrious class.

21,213. But you say the principal cause of the depression is high rents?—Yes.

Reductions in rent.

21,214. Have the landlords not met the times by giving reductions?—A good many reductions have been given, but what I hold is that the reductions are not sufficient.

21,215. And so if there had been a larger reduction given to the tenant farmer he might have been cultivating his farm and paying rent still?—He would be cultivating his farm and paying a smaller rent than he is now.

Law of distress.

21,216. I think you said regarding that important question of the law of distraint in England that the law is unjust to the general trader?—I think so. It is very injurious to the prosperity of the farmer too, because whatever position a man may be in his credit must, so far as I am able to understand, be a fixed sum. I believe even the credit of our Queen herself is a fixed sum; it is so with every farmer in any case: there is a certain amount beyond which a farmer's credit will not go. If the landlord monopolises a certain portion of that credit in the form of the law of distraint, it must damage the credit of the farmer with everybody else.

21,217. Thereby the tenant farmer not having so much credit owing to the landlord getting his right of distraint, he has to pay a higher price for articles?—Yes, probably so; and a farmer would have more liberty to move in the way of getting capital if it were not for that law of distraint.

21,218. Do you not think the law of distraint has created also a false competition in land?—Yes, I think so.

21,219. The fact of the matter is that it has put credit on the level of ready money?—Yes.

21,220. That is your opinion?—Yes.

21,221. Therefore it has deterred the tenant farmer from paying cash?—I think the landlord, instead of looking for the man who has the most capital for a large farm, will look at the man who offers the most rent, because the law of distraint gives the landlord power to seize if the man gets into his debt.

21,222. What the landlord sues for in bankruptcy is only the rent of his farm?—That is it.

21,223. I suppose you would consider the rent of his farm as the interest on his money—his capital?—That is it; it is interest on his capital which involves no risk, and therefore he ought not to have any preference or any power over another creditor.

21,224. And a trader is both risking interest and principal?—Yes, I think so.

21,225. On that ground you would like to see that law abolished?—Yes, I should like to see the law abolished. I think it is a relic of feudal times which ought to be done away with.

Value of land.

21,226. Regarding the price of land in England, I think you said, perhaps justly, that the price of land in England must come to the value of land in America according to the produce plus the carriage?—Yes, I think so.

21,227. So—it is a melancholy thing for both landlord and tenant—we may look forward to a still further reduction in the price of land in England?—Certainly; I think there is no possibility of anything else.

Prices of dairy produce.

21,228–9. (*Mr. Giffen.*) Will you turn to page 8 of the statistics you have given us; I want to ask you one or two questions upon the figures that you have there. *See* Appendix. Looking at the column of prices for butter, I observe that in Melton, for instance, the loss on butter between 1883 and 1893 is 10·50, but in the Ashby district it goes as high as 20·83; can you account for the differences between district and district?—I am afraid it is rather difficult to account for that.

21,230. You can suggest no explanation of the differences?—Yes, Ashby district contains many small towns in which Danish butter is sold, and the producer suffers more from this competition than in the Melton district. Harboro' and Melton are much alike in regard to the fall in the price of butter; the others are much alike too.

21,231. Turning to the column of cheese, I find that the Ashby district which shows the highest loss on butter,

shows the smallest loss on cheese, namely 9·10 per cent.—how do you account for that?—I think that is partly due to this fact—that there is a very small amount of cheese made in Ashby; there is less cheese made in the Ashby-de-la-Zouche district than there is in any other part of Leicestershire.

21,232. Would that be so in Hinckley, where there is very nearly a similar loss to that in Ashby?—There is very little made in Hinckley either. On account of the small amount of cheese that is made in the Ashby and Hinckley districts, it would all be consumed by the persons who live in the neighbourhood, and consequently the prices would correspond with retail prices. That would make the loss less.

Price of wool.

21,233. If you take the column for wool, you will find that the loss on wool in two districts exceeds 40 per cent., but that in the district of Melton it is much less, namely, 26·80 per cent.?—That is due to the fact that the sheep are altogether of a different kind in those districts. There is some kind of wool which has fallen very much more than others, and that is the wool which is produced in the districts of Harboro' and Loughboro', that kind of wool has fallen more than any other.

21,234. In fact they are different districts?—Different districts and different kinds of sheep.

21,235. I think you are still of opinion strongly that there is no prospect of a rise in the prices of agricultural produce?—I do not think there is any prospect.

Prices of dairy produce.

21,236. Have you gone into it in detail with reference to every article of produce?—Chiefly with reference to corn and milk. I have not gone into it in regard to butter, and cheese.

21,237. Are not milk, butter, and cheese extremely important articles?—Yes.

21,238. And they may become more important?—Yes. There will certainly be a decrease in the price of cheese, because cheese is dearer now and has been for the last six months than it has been for a long time.

Price of meat.

21,239. Have you gone into it with reference to the prices of beef and mutton?—My impression is that the prices of beef and mutton will decrease too. Foreign mutton is growing greatly in favour in Leicestershire—speaking for myself I like it quite as well as the English—and a larger quantity will be sent over. There will thus be a less demand for the mutton and beef that the farmer raises and consequently a decrease in price.

21,240. Are not foreign mutton and foreign beef very much at bottom prices now, is it possible for them to be produced anywhere cheaper than they are now?—We do not find in Leicestershire that English mutton and beef are cheap. The farmer may get a small price for it, but the butcher must get a very large profit. We psy 10½*d.* a lb. now for beef steaks, and we think that a high price.

21,241. Then there would be a large margin in favour of the farmer if you could take away the profit of the butcher?—Yes. The farmer wants to sell his own produce direct to the consumer, then he would soon get right. But it is impossible to do that as far as I can see.

Virgin land in foreign countries.

21,242. With regard to the cereals, can you give us any calculation as to what the extent of the occupation of land in the new countries is likely to be—is it not probable that in a very few years most of the new land will be taken up?—I do not think so.

21,243. You have not gone into that question at all?—No, I have not.

21,244. Is it not the case that 25 years ago in the United States they passed a homestead law, enabling anybody to take up 160 acres of land upon cultivating it on certain terms, and that now there is absolutely no land to be taken up—it is all occupied?—Indeed! I have some information here on that subject. The Disston Land Company of Philadelphia have asked me in these letters to try to get English farmers to go out and take up their land, as they have plenty of land to dispose of at five dollars per acre.

21,245. That is at a price?—Yes, at a price.

21,246. But the land I speak of was obtainable without any price?—I do not think anything of that sort is done in America now.

21,247. Does that not point to a change which will very likely have a material influence upon agricultural prices all over the world?—Yes, possibly.

21,248. Although the world comes into competition with us, yet there is a monopoly of land, taking it all round?—Yes, and that may be the case until Africa comes into the market.

21,249. Is there any quantity of land in Africa to come into the market on competition allowing for the population in Africa?—I should say that the dark population of Africa will be driven out of its place and nearer to the equator, and that the best part of the land will be inhabited by white men before long.

21,250. You are not aware of the elaborate discussions on that question which have taken place?—No.

21,251. And you have not gone into that question?—No, I have not.

Fall in prices of farm produce.

21,252. Would you say that the prices of agricultural produce have fallen more on the average than general prices?—Yes, I think there is no doubt about that.

21,253. On the average, putting them altogether?—I think so. I think agricultural produce has decreased in price more than anything else.

21,254. But you cannot give us any particulars of it?—No, I have no particulars, but I have friends who are engaged in manufacture and importation, and I have asked the question of them, and I am quite satisfied that agricultural produce has decreased in price more than anything else.

21,255. What about the prices of beef, mutton, milk, butter, and cheese?—I include those with the rest as agricultural produce; I have taken them altogether.

21,256. Still you cannot give us any detail upon the subject?—No, I cannot. I dare say I could get details for you in a little time.

Condition of labourers.

21,257. You say that the labourers are not so well off as they ought to be?—I do.

Wages.

21,258. Upon what annual earnings of the labourer do you base that statement?—The average earnings of the labourers as they are given in the Labour Return are very much less than the average as I have given it in these statistics.

21,259. What figure do you make the average—I did not observe it?—I make the average as given by the farmers themselves to be 16*s.* 3½*d.* per week.

21,260. Is that the same thing as the average earnings?—That includes the value of the house, when they have one, at 2*s.* a week.

21,261. (*Mr. Little.*) You mean that the earnings, taking the whole year through, would be 16*s.* 3*d.* per week?—You will see a note on the manuscript table which distinctly says that that does not include extra labour for harvest.

21,262. Then it is wages?—Wages per week.

21,263. (*Viscount Cobham.*) A seven-day man would have more than 16*s.*, would he not?—The agricultural labourer has to work on Sunday always; he has some work to do then, I think.

21,264. (*Mr. Lambert.*) What work would he have to do on Sunday?—Milking and feeding cattle.

21,265. (*Mr. Giffen.*) So that the earnings are somewhat in excess of 16*s.* a week on the average?—Yes, for seven days' work.

21,266. Of course we would all say that it is desirable to see labourers better off than that; but compared with any past time is that not a very satisfactory state of things?—I do not think it is a satisfactory state of things for any man to have to live and keep a family on 16*s.* 3*d.* a week.

21,267. Still, families can be kept, and kept very well, in a civilised manner, even on that sum. Is that not possible?—Well, I do not think a man on that sum——

21,268. I am not advising that anybody ought to be content with wages of that kind, but I am putting it to you that as things go in this world, and have gone in past times, that is something which the labourer can make something of, but you do not agree with that?—I know many labourers who get 16*s.* and some who get more, and I have known them die when they have had four or five children and leave their children in the workhouse; they have had no possibility on 16*s.* or 17*s.* a week of making a provision for those children, which they would have done otherwise.

21,269. Are you quite sure of that?—Quite sure.

21,270. I know of cases of provision being made with a family on a much less income than that. You do not know of any; but I speak from experience; I am speaking of what I know?—Well, I am obliged to think it is not a satisfactory wage for a man to get; it is not a living wage according to my definition of one.

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21,271. I do not say that it is a desirable wage, but I am putting it to you that people have lived on wages like that, and done very well indeed?—Yes.

Condition of dairies.

21,272. (*Mr. Gilmour.*) At the commencement of your evidence you spoke of what you consider to be a very bad case of a tenant farmer who had a large dairy of cows, and who, in your opinion, was very badly treated by his landlord in regard to buildings especially I think?—Yes.

21,273. Has that man a lease so that he is tied down to remain on the farm?—No.

21,274. Then he could go at any time?—By giving the usual notice I believe.

21,275. Then I suppose he finds it to his advantage to remain?—You see he has sunk his capital in the land, and it would be very difficult to get it out again. That is the only reason why he does not go.

Reduction in rents.

21,276. I do not know whether I took you up aright, but I think you said that considering all the different districts, in the Melton division of Leicestershire, in your opinion the tenants have been better treated than in other parts?—Yes.

21,277. I see in your synopsis that the reduction of rent that was given there was the lowest?—Yes, but if you have the manuscript from which that synopsis was printed you will find that there is a note at the bottom of it to the effect that this only includes a radius of four miles from Leicester. The reduction of rent is smaller there, because that is all accommodation land.

21,278. As printed you would imagine that this was a proper division of the county of Leicester into divisions, and when you see 7·14 in one place and 30·32 in the other, and are told that Melton tenants are better treated than others, you can easily understand that the synopsis is misleading?—Yes.

21,279. I also notice that Melton is the highest rented land?—Yes.

21,280. Is there any explanation of that, because if so it would of course require to be added to the table. May I ask further in reference to this synopsis in what district you have included the other part of the country around Melton, which is without the radius?—That is not included at all. You will see on the preceding page "A "considerable part of the division is owned by the Duke "of Rutland, who, Mr. Sparkes says, is the best landlord "in the county, and Lord Dysart, and from these estates "it has been impossible to get returns." They would not give them, neither the tenants nor the owner.

Rates.

21,281. You spoke about rates, and you said that in your opinion you thought the landlord ought to pay the whole of the rates; that eventually would come upon the tenant, would it not?—Why? I do not see why it should. It comes on the tenant now.

21,282. Would it not be a much better plan for the landlord and the tenant to pay half and half?—Half and half would be a very nice arrangement; but it seems to me that a great many of the rates that are now charged upon the land ought not to be charged upon it at all. I fail to see what land has to do with the supporting of school boards, for example.

21,283. That is apart from the point I want to get at: I suppose you would admit that the probability is that if both the landlord and the tenant pay a share of the rates, whatever that share may be, the likelihood is that they will both take more interest in the necessary public work of the district than if one pays nothing at all?—That would probably be the case.

21,284. Then would you not think it would be a good plan to make it a general thing that rates should be shared between the landlord and the tenant?—Yes, but in any case I would make a tenant pay the rates on his own house; on the house but not on the land.

21,285. But you do not have your house valued separately from the land in England, do you?—It is done in my case.

21,286. (*Viscount Cobham.*) Separate from the glebe?—Yes. I think the tenant should be rated upon his house in any case. The house a man lives in seems to me to be a fair criterion of his ability to pay rates.

Condition of labourers.

21,287. Are the labourers in these districts employed by the farmer the whole year round?—Yes, I think that all agricultural labourers in Leicestershire are employed regularly. Regularity of employment is the great advantage of their work. They have a great advantage in that respect over any other men.

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Wages.

21,288. (*Mr. Little.*) I should like first of all to call your attention to page 6 in these notes. There you say, "Mr. Sparkes is informed that the average wages of the "labourer, as reported to the Labour Commission, is "several shillings per week lower than these returns show." May I ask if you have seen that part of Mr. Bear's report?—No, but a member of Parliament to whom I sent a copy of this said that the wages of the labourers in these returns were much too high.

21,289. You are probably aware that the report to the Labour Commission refers to one particular district only—to the Melton Mowbray Union, are you not?—I did not know that.

21,290. It only professes to give the wages and earnings of labourers in the Melton Mowbray Union. Mr. Bear states in his report (paragraph 29) on the Melton Mowbray Union, that the wages are higher in some parts of the county than in the Melton Mowbray district, and nowhere lower, unless it be for waggoners, stockmen, and shepherds in the south-western portion of the county. He collected some information from other parts of the county, and came to the conclusion that the Melton Mowbray figure was a low one for the county. We have had evidence to the same effect from Mr. Rolleston, of Leicester. When you collected information as to the wages of labourers did you distinguish between the different classes of labourers?—No, I put it exactly as the farmers gave it to me—so much for each labourer.

21,291. They would give you the wages for waggoners, stockmen, shepherds, and labourers, all included under one head?—Yes.

21,292. Perhaps I may tell you that Mr. Bear classifies the wages of the labourers under those different heads, and that he shows distinctly that waggoners and shepherds had more wages, and that day labourers had the lowest wages?—That is so.

21,293. I find that Mr. Bear gives the wages of the ordinary labourer in the Melton Mowbray Union as 15*s.* a week, and 13*s.* a week in some few parishes. Now I should like to refer you to your own figures, which give the wages in the Melton Mowbray Union as 14*s.* 11¾*d.*?—Yes; they could not be very much nearer.

21,294. If earnings are taken into account, Mr. Bear gives them as from 15*s.* to 17*s.* a week; would that agree with your experience?—No. I quite agree with all you have said; I think the labourers of the Melton division do receive the lowest wages of any of the county.

21,295. These wages, Mr. Bear states, are exclusive of any extra wages made in hay time and harvest?—Quite so, and so are mine.

21,296. (*Viscount Cobham.*) You stated that that was explained in a note to the synopsis, but there is not a note upon it, and, therefore, the note ought to be added?—I will add that. In regard to the Melton division I say, "Mr. Sparkes does not attach very much importance to "the statistics for this division except as regards the price "of labour."

21,297. (*Mr. Little.*) I find that you state the average wages of the labourer are 14*s.* 11¾*d.*, whilst Mr. Bear gives the general ordinary wage of labourers at 15*s.*?—Yes; they could not be very much nearer.

21,298. Then the paragraph on page 6 suggesting a misstatement on the part of the Assistant Commissioner is not borne out, and it falls to the ground as far as your information goes?—That note on page 6 only refers to the Harboro' division, and not to Melton at all.

21,299. The charge is stated there in these words: "The "average wages of the labourer, as reported to the Labour "Commission, is several shillings per week lower than "these returns show." If the statement to the Labour Commission is only as regards the Melton Mowbray division, and the statement as regards the Melton Mowbray division is true, the imputation against the Assistant Labour Commissioner is not sustained?—I make no imputation against anybody, but I made the statement with the object of showing that my own estimate of wages was even higher than others which had been accepted. The statement to which I referred about the Labour Commission was given to me under the impression that the Labour Commission had made a return for the Harboro' division of Leicestershire.

Agricultural statistics.

21,300. That is incorrect. Perhaps you will allow me now to refer to page 8. You must forgive me for asking you some questions about these statistics. May I ask whether they are solely based upon estimates or returns by farmers?—Entirely upon returns by farmers.

21,301. Then a farmer has stated what he made of his wool and what he made of his beef and his mutton, at one period and what he has made since?—Yes.

21,302. Do you think that the farmers who have made these returns have kept sufficiently accurate accounts to be able to base an estimate upon them?—The price at which they sell their things is the only thing that they record which is worth anything that I know of, they do put that down as a rule.

Sale by live-weight.

21,303. Do they sell their beef and their mutton by weight?—Yes, I think so.

21,304. By ascertained weight or by estimated weight?—I have known them to sell it by both. I have seen a farmer sell a bullock at so much a pound, which he would say would weigh so many pounds, and it has weighed within five pounds of what he has said.

21,305. Then you think they sell by live weight?—Yes.

Price of wool.

21,306. With regard to the price of wool, do you think there has been as much difference between the two classes of wool as is shown by this return?—Yes, I think so.

21,307. What sort of sheep do they keep in the Melton Mowbray Union?—They keep there what are called the Leicestershire sheep—the large sheep.

21,308. What do they keep in the Harboro' Union?—The same.

21,309. In Harboro' the decrease in value is said to be 40 per cent., and in Melton 26 per cent., how do you account for that?—I do not know what is the reason of that. Harboro' is a better place to sell wool for one thing It is Loughboro' and Harboro' where the Leicestershire sheep are to be found.

21,310. Are they not found in Melton?—I do not think so. That was the explanation which the farmers at the meeting gave of this.

21,311. Is not the best land in the Harboro' division?—Yes, undoubtedly.

21,312. And the finest quality of wool?—Probably.

21,313. Yet there is the greatest decrease in value there?—Yes.

21,314. These figures are simply based upon the farmers' returns of the prices that they have made?—Yes.

Relation between rent and value of produce.

21,315. Then on page 9 I think you have summed up your views. At the end of the last paragraph you say: "This appears to Mr. Sparkes to be the right view to take "on the relation between rents and produce." You have taken the reduction on wool, beef, and mutton, and have arrived at the conclusion that the average loss (by which I suppose you mean decrease) is 29·6 per cent.?—Yes.

21,316. You have taken those articles as being all of equal value; that is, of equal importance?—Yes, in one sense; but it would be impossible for me to get statistics in regard to quantity.

21,317. That is a false mathematical process, is it not?—I can see well enough there would be a great deal more value in beef and mutton than in wool.

21,318. Then you base on this false mathematical result a further calculation?—Yes, but it is true as an illustration, and it is only given for that purpose.

21,319. And you arrive at the conclusion that if rent were reduced by 103·6 per cent. the farmer would be just in the same position as he was before?—The rent would be a negative quantity of course then.

21,320. But the land is worth something now?—Yes.

21,321. Therefore if the present rent is reduced 103·6 per cent. upon the former value?—I quite understand what you are pointing to. I saw all that at the time. The real object of this is to show what would be the result of the three and-a-half times calculation referred to in the previous paragraph. It is simply illustrative.

21,322. I quite understand that, but by taking a reduction in the value of produce you do not arrive at once at the necessary reduction in the rent?—No, but it might be calculated on the plan I have illustrated.

21,323. It does not give it to you?—No, it varies between great extremes.

Depression in Leicestershire.

21,324. I think you admit that the depression in Leicestershire is considerably less than it is in some other parts of the country?—Yes.

21,325. Do you think that is chiefly due to the fact that 80 per cent. of the land in Leicestershire is either grass or clover?—Yes.

21,326. There is only a small proportion of corn?—A very small proportion.

21,327. Less than 15 per cent?—Yes.

21,328. Whatever fall there may have been in the price of meat, and wool, and butter, and cheese, it is not equal to the fall in the price of corn?—No.

Law of distress.

21,329. With regard to the question of distraint do you really think that a landlord would be so foolish as to run the risk of having to put in a distraint, and that he would take a tenant without capital on the chance of being able to sell him out at any time?—I have known cases where it has been done.

21,330. Where a landlord has knowingly taken a man who, owing to want of capital, was incompetent to conduct the business because he knew that he could distrain?—Well, it would be a very great argument in the minds of many landowners. Very many of them would feel, "Well, I shall be certain of the rent." The landlord wants to keep up the rent, because if he once lets it down he will never get it up again.

21,331. A man can only distrain about once, can he; when he has once distrained he has sucked the orange, and he must then find another tenant?—Yes, I should say so.

21,332. So there is no very great prospect of his succeeding by letting to such tenants, is there?—Landlords very often do very curious things of that kind. I know a case myself where a tenant has been on an estate for several years. He found that he was losing year by year. He said to the landlord: "If you take off so much of my "rent—30 per cent. I think it was—I should like to stay "on; but I cannot unless you do; or if you will not take "off the 30 per cent. will you put all the buildings in "order for me." The landlord declined to do either of those two things and the man left. When the next tenant came the landlord took off the 30 per cent. and put the buildings in order for him too; so of course that tenant was a successful man.

Competitio for small farms.

21,333. I think you said that if the law of distraint were abolished men would be led to take smaller farms?—Yes.

21,334. That would increase the competition for small farms, would it not?—Yes.

21,335. There is already a considerable demand for them I think you said?—Yes, in some parts.

21,336. Then that would probably increase the rent of the small farms?—No; you would have to make small farms out of some of the large ones then.

21,337. I thought you said that the rent of large farms would be diminished and that the demand for small farms would be increased; it seems natural to suppose that the rent of large farms would in such a case diminish, and that the rent of small farms would increase?—It would pay to cut up many of the large farms into smaller ones in that case.

Sale of tenant's goodwill.

21,338. With regard to the sale of the tenant's goodwill, in what better position would the incoming tenant be if he had purchased the goodwill than he would be in at a full rent under the landlord—he would have to expend money in purchasing the goodwill, that is, capital for which he would want interest?—Yes, but he pays the landlord in rent for the goodwill now.

21,339. And which he might lose?—Yes, which he might; in that case, if he lost, the selling price of the tenancy would decrease, and he or his representatives would not get as much for it as they gave.

21,340. Therefore, the man who came in would be standing at a higher rent?—I do not see why.

21,341. Suppose land is let at 1*l.* an acre and it has the good-will attached to it and a tenant buys the good-will; he borrows the money to pay for the goodwill; he has to pay interest on that, and his rent and his interest stand him in 25*s.*; now suppose the value of land decreases, as it has done, and he wants to sell this goodwill; the rent is 1*l.*, the land is not worth 1*l.*, and he has nothing to sell—he has lost all that capital. Would that not be the case?—There would be a certain element of risk in it, the same as there is in everything else. If the land remained constant in value and the tenant increased the value of that farm by his own good farming, then the goodwill of the next purchaser would be greater necessarily.

21,342. Now suppose the man only kept it in the same condition and the land increased in value by the rise of prices, would you say that he was entitled to that increase?—No; well, I think that ought to belong to——

21,343. That ought to belong to whom?—I think if the value of the land had increased——

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21,344. Apart from the tenants labour?—Apart from the good cultivation of the land, it ought to belong to the owner most decidedly.

21,345. How would you ascertain that?—It is a difficult thing to ascertain; I do not know how you are to ascertain that.

21,346. Would not the landlord who had let his land at a moderate rent be placed at a disadvantage as compared with the landlord who had let his land at a full rent?—I do not think so. I do not see why he should.

21,347. Would a man who paid a full rent have any goodwill to sell; would anyone desire the occupation at any increased price; supposing it is let at 25*s.* an acre and no one will give more than 25*s.* an acre, would anyone give the tenant anything to come into that farm?—No, the landlord would be then taking advantage, as he does now, of the good cultivation of the farm.

21,348. But suppose the tenant is under an agreement to cultivate the land properly and well, and he has done no more, and the tenant has the farm at 1*l.* an acre, and someone is willing to give 25*s.* an acre, and the tenant is allowed to sell; the good landlord, who has let at 1*l.*, is at a disadvantage as compared with the other landlord who has let at 25*s.*?—Yes, he would be at a little disadvantage.

21,349. The only thing that the tenant has to sell is the margin between the competition value and the rent?—Yes, that is all.

21,350. Then the man who exacts the full rent leaves the tenant nothing to sell, and the man who lets at a moderate rent leaves the tenant a property to sell?—Yes.

Labourers' houses.

21,351. And that is a disadvantage to the good landlord. You spoke of the state of the cottages in Leicestershire. To whom do these bad cottages belong? I will not say to what persons, but to what class of persons?—Large landowners in some cases.

21,352. But is that generally the case?—It is generally the case that there are either a number of bad cottages or else there are what are called model cottages, which are built under one of two fallacies—either that plenty of light is not a good thing for a working man's family, or else that stones and bricks are more transparent than glass—for there are generally more stones and bricks about the model cottages which I have seen than glass where windows ought to be.

21,353. Would you say that the cottages on the landowners' estates compare favourably or unfavourably with the cottages provided by private persons?—Unfavourably.

21,354. On large estates?—Yes.

21,355. Is that your experience?—Yes.

21,356. And you are speaking from considerable knowledge?—Yes. I can take you to houses which are a standing disgrace to the age, but which belong to a large owner.

21,357. You say that much better cottages are required. How do you think they can be supplied?—I should suggest that powers should be added to the Local Government Act of the present year for acquiring land for building houses, on the same condition that the Act now enables land to be acquired for allotments.

21,358. Would that be with the object of the labourers' building cottages for themselves?—Yes.

21,359. Do you think they would be in a position to do so?—If they had the land I think they would be able to do it through building societies. Any building society will build a man a house in the towns if he has the land free of debt.

21,360. Would you suggest that the land should be given, that it should be provided for these people free of any charge?—No, certainly not. They should pay for it certainly before they begin to build.

21,361. Do you suggest that the labourer should pay for the land?—Certainly.

21,362. Do you think he would be in a position to do so?—Yes; there are many colliers and tradesmen who would be able to do so.

21,363. Are you acquainted with cottages that have been built by labourers—such cottages as squatters' cottages?—Yes, many.

21,364. Are they generally such as you would desire to see built?—Certainly, because the Building Societies will not lend the money for them unless they are.

21,365. I think that is not the class of houses I was speaking of—I mean squatters' cottages?—I have always found them to be well built in that case—they are far better cottages than the landowners build for the poor persons who live on their estates.

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Leicestershire Farmers' Union.

21,366. (*Mr. Lambert.*) You say that 1,500 members, all of them tenant farmers, belong to your Union?—Yes.

21,367. That was started about two years ago?—Yes.

21,368. It sprung from the difficulty owing to the railway rates?—Yes.

21,369. Do you represent these 1,500 farmers in the views that you now lay before the Commission?—Yes, I am one of the persons that they have elected to give evidence.

21,370. What meeting did you hold to elect the representatives to give evidence? Was it a representative meeting of the 1,500 farmers?—We have five places of meeting in the Union, and about 300 members in each—at Nuneaton, Hinckley, Bosworth, Ashby-de-la-Zouch, Worthington, and Loughborough. It was agreed upon by a deputation from each of those districts.

21,371. I understand you have gone into this matter for about two years?—Very nearly—twelve months last January.

21,372. You entered into it free from all prejudice, and with an open mind upon the subject?—Quite, and I have tried to retain that state of mind all through the time until to-day, when I have come to express my own views as well as the views of others. Up to the present time I have never even expressed to a member of our Union whether I am in favour of Protection or not, because I wanted to get their views. To-day I am not only here to represent their views, but my own, too.

Reduction in rents.

21,373. You said just now that the depression as far as farmers were concerned, was due entirely to an insufficient reduction of rents?—Yes, I think so.

21,374. And that in order to put farmers upon their proper footing and to give them what you call a fair return for their capital and their labour, there should be a further reduction of 30 per cent. in the rents, in addition to the 25 per cent. already granted?—Yes.

21,375. Is there a competition for farms in your district?—Yes.

21,376. How are farms let?—A certain rent is put upon them, I believe, and when farmers inquire they are told what the rent is and what the conditions of tenure are. I do not know what the conditions are myself. The agent of a very large landowner told me some time ago that if he had a hundred farms he could let them all at once, but he had not a hundred then. On the 25th of March this year the first of his farms became vacant, and he has been seeking for a tenant ever since without success.

21,377. That would rather tend to show that rents will decrease or naturally go down?—I should say that they naturally will go down, because I do not think that farmers have the capital to pay rent much longer at the rate it is now.

Payment of rent out of capital.

21,378. Can you state this as a fact from your own personal knowledge of farmers: that tenant farmers are now paying rent out of capital, and have been doing so for the last four years?—They all say so; every one that I know does.

21,379. You have no reason to disbelieve that?—Not the slightest; I do believe it. I think these returns I refer to of the Board of Trade ought to prove it.

Fixity of tenure.

21,380. As regards the tenure of land, the tenants complain of a want of fixity of tenure, I understand?—Yes.

21,381. Does that mean that when a man enters upon a piece of land he shall have a permanent holding in the land?—I suppose it does. They understand by fixity of tenure what is stated in the Bill brought in by Mr. William Smith and Mr. Channing, I think, and Mr. Price.

21,382. Have you read that Bill?—Yes, some time ago.

21,383. Probably you would think that is a very drastic Bill; that it proposes, I might almost say, a revolution of our present system of letting land?—It involves a very great change indeed.

21,384. Do you think the farmers in your district would go as far as that Bill goes?—Yes, in regard to fixity of tenure, but not in regard to other parts of it.

21,385. What other parts?—They are not in favour of land courts, for instance.

Compensation for improvements.

21,386. Presuming that the farmers had compensation for all the improvements they made upon their holdings, would that be a sufficient fixity of tenure for them?—It

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would all depend upon the way in which that compensation was made. They are all dissatisfied now, because under the Agricultural Holdings Act the compensation is settled by two land agents. They object to that; they think that a tenant farmer ought to be one of the valuers, at least.

21,387. But may not a tenant farmer appoint a brother tenant farmer as a valuer in his behalf?—I do not know, I am sure; I do not know anything of the Agricultural Holdings Act. It is not the general impression that such is the case.

Compensation for disturbance.

21,388. Presuming that a landlord wishes factiously to get rid of a tenant, to evict a tenant, would the farmers in your district be in favour of compensation for disturbance; would that meet their views?—That would probably meet their views.

21,389. It would?—I think so.

Rates.

21,390. You have given us some information about rates. As I understand, you think the rates ought to be borne not by the occupier, but by the owner?—Except the rate on the house; that, I think, the tenant ought to pay.

21,391. Have you any ideas of your own as to the incidence of rates, whether, for instance, the land is too highly burdened with rates?—I certainly think it is too highly burdened; there are many rates, I think, which ought not to be upon land at all. In my parish the roads are very much worn by coal carts, carriers' carts, railway carts, bicycles and tricycles, none of which pay any tax or rates at all.

Ground game.

21,392. Is there any feeling as regards the working of the Game Laws in your district?—No, I think we are tolerably satisfied about that. The ground game has pretty nearly all gone. We have shot that all away.

21,393. So there is no complaint at all?—None whatever.

Railway rates.

21,394. You have read something about railway rates, have you any instances where railway rates are excessive?—Yes, railway rates are very excessive indeed between Worthington and Ashby. If I were to send one hundredweight by passenger train it would cost me about 6*d.* or 8*d.* a mile, 8*d.* a mile in all probability.

21,395. These instances must be specific, and if you have any I should be glad to have them taken down, but do not give me any information which cannot be used as facts?—I can give you a few. It is 15 miles from my parish to Leicester, and it costs 3*s.* a ton to take coal from that place to Leicester, although it is sold at the pit's mouth readily for 7*s.* 6*d.* per ton. It costs, practically, more to carry the coal that 15 miles than the colliers receive for getting it; they do not receive 3*s.* a ton for getting it. It was alleged, and I believe it is true, that it costs more to take a ton of dead meat from Leicester to London than it does to bring foreign meat from Liverpool to London.

21,396. But you cannot give those as examples of your own knowledge?—Not that one; in the case of the coal I can, for I know that is true.

21,397. Are those the only instances of excessive rates that you have at present in your mind?—I do not think the rates for milk are at all excessive now.

Co-operation.

21,398. With regard to co-operation in selling, do you think you could make your association of any benefit to the farmers by allowing them to co-operate, or by offering inducements for them to co-operate, and sell their produce?—I wish I could, it is a thing I have long desired, but I am afraid the tenant farmers are not good men to bring into the practise of co-operation.

21,399. But you would think there would be a great advantage were such an association for buying and selling produce formed?—A very great advantage indeed.

21,400. Are there no such associations in your district?—None.

21,401. Is there no co-operative dairy factory there?—No, I wish there was.

Agricultural education.

21,402. Then you said that you find a great reluctance on the part of the farmers to partake of technical education?—Very great.

21,403. Have you formed any ideas as to the best method of bringing technical education to the farmers?—It is no use trying to bring technical education to the farmers of the present generation; the only possibility is to benefit the next generation by a compulsory clause in the Education Act, such as I have described.

21,404. Practically the effect of that would be that the present race of farmers must die out before you get any improvement in that respect?—It must be so. So far as the Leicestershire farmers are concerned I am sure that technical education will not do them any good, they will not attend to it.

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Condition of yeomen farmers.

21,405. (*Mr. Everett.*) Are there yeomen farmers in your country, that is farmers farming their own land?—There are a few but not many.

21,406. Do you know whether they have suffered in the depression equally with the tenant farmers?—One of the vice-presidents of our Union is a man who farms his own land, and he complains grievously of his losses.

21,407. They have not found fixity of tenure and the right of free sale to save them from the depression which has hit their neighbours?—No.

Condition of agricultural classes.

21,408. You spoke in regard to the labourers being sometimes overcrowded in their cottages; are you aware that there are hundreds and thousands of instances in our great towns where whole families live in one room instead of in a cottage?—Yes; there is some explanation for it in a large town, but there is none in the country, where the land is plentiful and cheap.

21,409. You spoke of the agricultural labourers not being so well off as they should be. I notice that you say also that the farmers are not so well off as they should be, and that the clergy are not so well off as they should be?—Nor are the owners.

21,410. Can you suggest any way in which the unhappy condition of all these classes, practically the whole agricultural population, can be amended?—It appears to me that the interests of the three classes of owners, tenants and labourers are so opposed to each other that what would benefit one could not possibly benefit either of the other two parties. That is the great difficulty that I see.

21,411. You do not see your way to remedying the condition which you deplore?—No, indeed not.

Character of cultivation abroad.

21,412. You have travelled a good deal, you have told us; how does the condition of the cultivators of the soil in other lands compare with the condition of the cultivators of the soil in England as far as you have seen?—Do you mean in South America or on the Continent?

21,413. I should like to have your opinion with regard to both places?—In South America the large cultivators of the soil are almost entirely Europeans. I include within the name Europeans even the Spaniards, who are born in South America. There are Europeans who have gone to the country within the last 30 or 40 years; they have got the land and they cultivate it. In my continental experience I have always come in contact with small holders who cultivate their land beautifully. Take the cultivation of Normandy, for instance; you can notice it even in passing through in the train from Dieppe, as you go to Geneva; you may look for miles from the train and you will not see a loose stone in the fields.

21,414. How about weeds?—I think the land has been more free from weeds than English land has, so far as I have seen it.

21,415. I remember taking a journey through France once, and I think I saw infinitely more weeds growing in the fields there than I was accustomed to see in Suffolk?—Probably you went from Calais to Paris.

21,416. Yes?—The land is quite different there from what it is in other parts.

21,417. (*Mr. Little.*) Do you know Normandy besides passing through it by rail?—Rouen is on the borders of Normandy is it not?

21,418. Yes?—I have been there.

21,419. Have you examined the agriculture there, have you travelled about the country there?—Yes, I have been all round Rouen; I was there for several weeks.

Agriculturists in South America.

21,420. (*Mr. Everett.*) In South America now is not the bulk of the land tilled by small people who do their own work?—No; the small people to whom you refer are those who live upon land which they pay nothing for. It does not belong to them. They go and pitch their tents like gipsies and then cultivate it. They stay there until they have got all out of the land that is worth anything and then they go to another place; they are nomadic.

21,421. Take the Argentine Republic for instance; is not that land generally tilled by Italians, each man tilling only what he and his family can deal with?—It is not the Italians who do that. I never saw an Italian who was ever settled on the Argentine land at all. The people who do that are called Guachos; they are half-bred between the Spaniards and the Indians, and have descended from

generation to generation from the mixture which occurred after the time of Pizarro.

21,422. How long is it since you were in the Argentine Republic?—I came back three years ago. There are many Italians, but all that I know are engaged either as workmen in making railways, or they are keeping cafés and stores.

21,423. That is a very different account to what was given to me by a gentleman who has written from there quite recently; but you speak of what you saw with your own eyes?—Yes.

Low prices.

21,424. In your printed notes you speak of low prices as being the result of progress?—Yes.

21,425. I understand you to contend that the tendency of things is as man's power over nature increases for prices to fall?—Certainly.

21,426. Are you aware of the fact that from the accession of Queen Elizabeth to the birth of Queen Victoria, a period of between two and three centuries, on the whole prices tended to rise instead of to fall?—Yes, but that was only apparent. Money was of such a different value then. Even labour was 2½*d.* a day in the days of Queen Elizabeth.

21,427. It was a real rise as regards money and when we speak of high and low prices, we are speaking of money prices, are we not, that is what we mean, we mean money prices?—Yes.

21,428. As a fact during all that long period—a period on the whole I presume of progress—instead of money prices falling as civilisation advanced they continually on the whole tended to rise?—Yes, but what were the discoveries of that long period from the decease of Queen Elizabeth to the accession of Queen Victoria in comparison with what they have been during the last 10 years all put together.

Prices, 1853-73.

21,429. Was not the period from 1853, say, to 1873, a period of quite as great a march in improvement as the last 20 years?—The last 20 years have seen the development of railways and steam power to a far greater degree than was seen in the previous 20 years. I can go now from Grantham to London without stopping, but I could not do that 20 years ago.

21,430. Would you not say that the development from 1853 to 1873 was greater than the development for instance from the beginning of the century to 1853—probably greater even than for a period of hundreds of years previously?—It may be, but then you see there were so many things that tended to decrease prices which occurred about that time. There were the repeal of the Corn Laws for example just before, and the passing of the Reform Act in 1832. All these things must necessarily have had an effect upon prices.

21,431. Has not your attention been called to the fact that from 1853 to 1873 the average prices tended to rise instead of to fall?—Yes.

21,432. That was a period of very great industrial activity and progress, was it not?—Yes, but it did not bring the world all into one place as it were, as our progress has done since. I have sent a telegraphic message round the world myself—sent it one way and back another—and have received a reply to it in two hours and 30 minutes. That is a thing which was quite unknown even 20 years ago.

Protection.

21,433. Was there anything you wished to say in regard to your own or your neighbours' opinion on the subject of Protection?—I do not believe in Protection in any form. I do not see that it can be any good to anyone. Besides if my theory is true that the low prices have been produced by the progress of the world, I should not like to shut all except agriculturists out from the benefit of that progress.

Agricultural statistics.

21,434. (*Mr. Little.*) I think you have compared the number of live stock at two different periods—one I think four years ago?—Yes.

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21,435. I have taken out the figures for 1883, 1888, and 1893, taking in 1888 an intermediate period in the 10 years?—But that does not include the year that I refer to.

21,436. Was there a special reason for selecting that year?—No, it was a matter of accident purely.

21,437. The facts disclosed by that comparison would be altered by comparison with another year, as we shall see if you will take the official returns, and see whether these figures that I am going to put to you are right. Take, first, horses. Do you find that in Leicestershire in 1883 there were 18,018 horses?—Yes.

21,438. In 1888, 18,112 horses?—Yes.

21,439. And in 1893, 19,080 horses?—Yes.

21,440. Now take cattle. In 1883 there were in Leicestershire 134,755, were there not?—Yes.

21,441. And in 1888, 134,901?—Yes.

21,442. And 139,199 in 1893?—Yes.

21,443. Now sheep. Were there not 277,280 in 1883?—Yes.

21,444. And 319,722 in 1888?—Yes.

21,445. And 342,514 in 1893?—Yes.

21,446. Now will you look at the permanent pasture. You will see that the figures for 1883 are 321,911, are they not?—Yes.

21,447. For 1888, 340,298?—Yes.

21,448. And for 1893, 350,359?—Yes.

21,449. Perhaps you will just look at the cattle in detail. The cows in 1883 were 36,670, were they not?—Yes.

21,450. And in 1888, 38,671?—Yes.

21,451. And in 1893, 40,358?—Yes.

21,452. Taking cattle over two years old. In 1883 they were 55,689, were they not?—Yes.

21,453. In 1888, 55,654?—Yes.

21,454. And in 1893, 52,584?—Yes.

21,455. Now take cattle under two years old. You will see that in 1883 they were 42,396; is that not so?—Yes.

21,456. And in 1888, 40,576?—Yes.

21,457. And in 1893, 46,257?—Yes.

21,458. Now take the sheep one year old and above; in 1883 they were 175,656, were they not?—Yes.

21,459. In 1888, 200,093?—Yes.

21,460. In 1893, 215,375?—Yes.

21,461. Sheep under one year old in 1883 were 101,624, were they not?—Yes.

21,462. In 1888, 119,629?—Yes.

21,463. And in 1893, 127,139?—Yes.

21,464. Those figures show an increase of nearly 11 per cent. in the horses in the 10 years from 1883 to 1893, do they not?—Yes.

21,465. An increase of 3·3 per cent. in cattle?—Yes.

21,466. And an increase of 23½ per cent. in sheep?—Yes.

21,467. The increase in permanent pasture being 8·8 per cent.?—Yes. But how are the last four years to be explained; that is very curious.

21,468. (*Mr. Lambert.*) Is it not the fact that cattle have gone down materially in price in the last four years?—Yes, very greatly in Leicestershire.

21,469. Judging from the figures there was an increase from 1883 up to 1890, but since 1890 to 1894 there has been a very considerable decrease in the price and also in the value of the cattle?—Yes.

21,470. Thus showing that in the last four years the value of the farmers' capital has very materially depreciated?—Yes.

The witness withdrew.

Adjourned to Thursday next at 12 o'clock.

Fortieth Day.

Thursday, 31st May 1894.

PRESENT:

THE RIGHT HON. GEORGE JOHN SHAW-LEFEVRE, M.P., IN THE CHAIR.

The Right Hon. HENRY CHAPLIN, M.P.
Sir ROBERT NIGEL FITZHARDINGE KINGSCOTE, K.C.B.
ROBERT GIFFEN, Esq., C.B.
CHARLES ISAAC ELTON, Esq., Q.C.
Captain OWEN THOMAS.
FRANCIS ALLSTON CHANNING, Esq., M.P.
JOHN CLAY, Esq.
CORNELIUS NEALE DALTON, Esq., C.B.
ROBERT LACEY EVERETT, Esq., M.P.
JOHN GILMOUR, Esq.
GEORGE LAMBERT, Esq., M.P.
WILLIAM CUTLACK LITTLE, Esq.
WALTER HUME LONG, Esq., M.P.
CHARLES WHITEHEAD, Esq., F.L.S.

HERBERT LYON, Esq., *Secretary.*
R. F. CRAWFORD, Esq., FREEMAN THOMAS, Esq., *Assistant Secretaries.*

Prof. J. P. Sheldon.

31 May 1894.

Professor J. P. SHELDON called and examined.

21,471. (*Chairman.*) You are an owner of land, I think?—I am a yeoman farmer and landowner.

21,472. Do you farm yourself?—Yes, I do.

21,473. To what extent of land?—It is not extensive, something under 80 acres.

21,474. Where is it situated?—In north-east Staffordshire.

21,475. For some time you were a professor of agriculture at the Royal Agricultural College, were you not?—I was.

21,476. And also at the College of Agriculture?—Yes.

21,477. (*Mr. Whitehead.*) Is that the Downton College?—Yes.

21,478. (*Chairman.*) You were formerly a tenant farmer, I think?—Yes, I have been a tenant farmer for 10 or a dozen years, and unfortunately since then I have been a landowner.

21,479. Is all your own land in your own hands?—No, I have tenants.

21,480. You have considered the causes of agricultural depression?—We have all been compelled to consider those causes of late years.

21,481. You have come here to give your opinion as to those causes?—To the best of my ability.

21,482. Will you briefly state what your views are?—With regard to tenant farmers chiefly I presume you mean now?

Rents 1850-80.

21,483. Yes?—There are various causes for this depression; in the first place rents in many cases have been raised since about 1850 from 15 to 30 per cent. in my part of the country, They vary very much of course.

21,484. Between 1850 to 1879, I suppose?—Between 1850 to 1879 or 1880 say, the 30 years.

21,485. (*Mr. Channing.*) You are now speaking of Derbyshire and Staffordshire?—Of Derbyshire and Staffordshire.

21,486. How much were they raised on the average?—They were raised on the average about 20 per cent.

21,487. Can you say what the average per acre in that part of the country is?—I should think probably from 7*s.* to 10*s.* per acre.

21,488. Was that before the rise or what?—I think the rise was from 1850 to 1880.

21,489. That is the increase of rent, is it?—It is the increase of rent, and that would represent 15 to 30 per cent.

21,490. What was the average per acre? At the point when they were lightest did the rents average 30*s.* or 25*s.*?—15*s.*, or may be hardly that. There is a great parity in the quality of the land in that part of the country.

21,491. What is it for average land?—About 20*s.* per acre.

21,492. After 1880 in consequence of bad seasons and low prices did the rents go down?—There has been no general drop of rent; the almost universal custom, especially on the large estates, has been to make remissions. The remissions have varied from 5 up to 50 per cent. Sometimes the remissions have been made in cash, at other times in the form of manures, lime, bones, and one thing or another.

Rents after 1880.

21,493. Have there been any permanent reductions?—Remissions there have been, but no general reductions. At present the old rents remain in force to a great extent nominally.

21,494. For the old tenants?—For the old tenants, and for the new ones.

21,495. (*Chairman.*) What is the nature of the cultivation in that district?—To a great extent it is grass land.

Derbyshire and Staffordshire.

21,496. Is there not much arable?—There is less now than there used to be.

21,497. Have the rents been maintained in the case of arable land or not?—There are no arable farmers properly so called. The farm that has most in arable you would find probably three-fourths is grass in that part of the country.

21,498. To what sizes do the farms run?—They run from anything you like up to 600 or 700 acres.

Sizes of farms.

21,499. What do you mean by running from anything you like?—Small holdings.

21,500. What is the average; is there an average of 200 or 300 acres?—The average would not be so high as that; perhaps the average might be 100 to 150 acres; nearer 100 than 150. We have a number of small farms and not many large farms.

Small farms.

21,501. Do the tenants work themselves?—Mostly, they work while they are able.

21,502. What number of labourers would a farm of 150 acres have?—That is a difficult question to answer, because if he is a farmer his children stand in the place of labourers, and do the work. Every member of the family, as a rule, male or female, does his share of the work whatever it is, so long as he is able.

21,503. Would a farm of 150 acres take two to work it?—Yes, two men. Usually one man living in the house, a yearly servant, who boards and lodges in the house; and for a dairy farm of 150 acres there would probably be two men and a lad, and at least one woman servant and a girl.

21,504. Do they sell milk?—Whenever they are near enough to a railway they sell milk, especially in winter time when the demand is great. In the summer time they are unable to sell all their milk, and they make cheese or butter as the case may be,

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The letting of farms.

21,505. When farms are vacant are there applicants for them?—I think I have never known quite so many farms vacant at one time as there were during the present spring, say from Christmas on; but I scarcely know a farm now in my part of the country that is unlet. A good many were let at the last moment, or a little after it, that is a little after the 25th of March.

21,506. Have they been let at the old rents or at what?—It is not always possible to learn what they have been let at; there is a great deal of secrecy as to the rents agreed upon to be paid and received. I have reason to believe that in some instances farms have been let nominally at the old rent, but with the understanding that the tenant would pay what rent he was able to pay.

21,507. Have you had any farms vacant yourself?—No.

21,508. Can you give any specific data with regard to any farm which you know has been let lately?—With reference to the drop of rent, do you mean?

21,509. Yes?—I am not able to give any data with regard to drops; we hear different tales, and, as I said before, those stories are not always reliable. Farmers, as a rule, who take farms are very reticent as to the rent they give or agree to give.

21,510. Would you say that there is or is not competition for those farms?—Not much competition; scarcely any.

21,511. But still the landowners have been able to find tenants?—Yes, for almost every farm.

21,512. Are they from people in the district?—Recently there has been an influx of people from a distance for a few farms, from Cheshire and elsewhere; one or two from Cumberland and Northumberland, and up that way.

21,513. Are these men with sufficient capital?—Well, that is a point on which I should not like to hazard an opinion.

21,514. It is difficult to say?—It is difficult to say.

Capital required for stocking farms.

21,515. What capital is required for the farms in your district; say 150 acres?—We reckon from 7*l.* to 10*l.* per acre would be a fair capital.

21,516. Mainly for stock?—Mainly for stock. But 10*l.* an acre would be a good capital for everything required on the farm, including household furniture.

21,517. With reference to the farms which have been let, have they been stocked sufficiently?—In some instances. In the instance of the largest farm that has been at liberty during the last spring the man is now taking more or less lay stock, that is, agisted stock. But I believe that is owing to the fact that he was not able to induce his landlord to take the other farm off his hands.

Reduction of rent.

21,518. In your own case, have you had to make considerable abatements?—No, I have made one or two voluntary abatements that were not asked for.

21,519. Have you made any permanent reductions?—Yes; in one or two cases.

21,520. Take the average of your property; what should you say is the average reduction?—I have so little that it is scarcely worth citing; but I think about probably 10 or 15 per cent.

21,521. You say that that is the general average of the district, or what?—I am not aware that there is any general drop at all that we can cite.

21,522. Have the landlords been in the habit of making abatements or temporary remissions?—There is not much of the former. On the large estates there has been no large abatement.

Tenure.

21,523. Will you go on further with the causes of depression?—I think that one leading cause, which relates more to the past than to the present, is the absence of legal encouragement for men to farm well. Farmers were able to farm well enough when they made money enough, and would have continued to do so if they had been encouraged. At present, if they had that encouragement, I am afraid that they have not the ability to farm as they might have done 15 or 20 years ago.

21,524. What is the general character of the tenure, are they yearly tenancies?—They are yearly tenancies; it is almost universal, there is scarcely anything else.

21,525. Has that always been the case?—That has always been the case.

21,526. There has been no change from leases to yearly tenancies?—Not in my recollection; nor is there any tradition to that effect.

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21,527. Whatever the causes are in that direction, the circumstances are the same now as they were, I presume, namely, that the tenancies are yearly tenancies only; but I rather gathered from you that in consequence of the depression of agriculture, there is less inducement to the tenants to spend capital on the land than there was?—Yes, of course there is less inducement. Owing to the low prices, the reduced prices for everything they have to sell, there is less inducement to farm well.

21,528. Is that due to want of capital or want of security? Of course it would seem that the conditions of tenure must be the same now as they were some years ago?—It is not so much owing to want of security now as it was some years ago. It is owing more now to the drop in prices.

21,529. I rather gather from you that when the farmers had capital, then the want of security was a more potent cause than it is now when they are without the capital?—In those days, when farmers made plenty of money, they were perfectly willing to employ it on the farms, as a general rule, had they sufficient encouragement to do so.

Deterioration in farming.

21,530. Taking the average of farms in your district, do you think that they are in want of improvement?—Yes; the land has gone back in condition in late years, say since 1879.

21,531. Is that from want of application of manure, or want of tillage, or what?—To a great extent to the want of proper manures in sufficient quantity; but also owing to the character of the seasons, which have greatly injured the quality of the land.

Bad seasons.

21,532. When did those bad seasons begin?—The worst of the early ones was in 1879.

21,533. I thought that a few years after that the seasons improved?—They did a little, but then they went worse again.

21,534. When did they go bad again in your district?—I could not give the exact year, but they went worse again in 1884 and 1885.

21,535. Would you say that the land has been, on the average, seriously deteriorated by a succession of bad seasons?—Appreciably so—even seriously so, because a small deterioration is serious.

21,536. Does that apply to grass as well as to arable land?—Yes.

21,537. Am I to understand also, partly in consequence of the seasons, and partly the low prices, farmers have not been able to apply so much manure to the land?—Recently they have not been encouraged to do so, owing to the different causes I have mentioned.

21,538. When you speak of encouragement, what do you mean?—In selling produce at good prices, that would be one encouragement. Sufficient security for improvements in the case of those who leave their farms, would be another encouragement, but that is not so potent now as it used to be

21,539. That must always be in force to whatever extent it exists?—It is in force still, but not so to the same extent as 20 years ago.

Foreign competition.

Margarine.

21,540. What other causes do you give for agricultural depressson?—Foreign competition, especially that which I should call deceitful competition, namely, such as margarine, which is coloured to imitate butter; the change of name from butterine to margarine has had practically no effect in educating the public.

21,541. What do you mean by change in the name?—The change in the name has had little effect so long as the people who sell margarine make its colour the same as butter; it passes as butter with a great many consumers in spite of the name.

Prices of dairy produce.

21,542. Have you any data showing the range of prices for butter, cheese, and milk for a considerable number of years?—I have not got up this data, but I can give the figures tolerably accurately. In the year 1874, the first time that the cheese factory with which I have to do was opened, the cheese then sold at an average of 80*s.* 9*d.* per cwt.; now the same cheese would not make certainly more than 55*s.* per cwt.

21,543. It would be interesting to have the price year by year over that period?—I could supply you with that, but I have not brought the figures with me.

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21,544. We should like to have that added to your evidence?—I will obtain figures. (*The witness subsequently furnished the following figures*) :—

HOLNES CHEESE FACTORY, Sheen, Ashbourne.

Average price of cheese for 20 years :—

	s.	d.	
1874 - -	80	9	per cwt.
1875 - -	75	0	,,
1876 - -	68	0	,,
1877 - -	70	0	,,
1878 - -	52	0	,,
1879 - -	55	0	,,
1880 - -	55	0	,,
1881 - -	58	0	,,
1882 - -	60	0	,,
1883 - -	63	0	,,
1884 - -	55	0	,,
1885 - -	50	0	,,
1886 - -	50	0	,,
1887 - -	50	0	,,
1888 - -	55	0	,,
1889 - -	58	0	,,
1890 - -	58	0	,,
1891 - -	59	0	,,
1892 - -	60	0	,,
1893 - -	58	0	,,

21,545. And butter, too?—As to butter, I have known it sell at 2*s.* per pound in the local markets; the other day, at Ashbourne, it was selling with difficulty at 6*d.* per pound—good milk butter.

21,546. Let us have something more than what you have known in a particular case?—I could not give it year by year in butter—in cheese I could give it, but not in butter.

21,547. In the case of milk, what do you say?—I daresay I could obtain that for you. But I had this from a relation of mine who deals very largely in milk, sending it into various towns and cities in England; and he says that the price he gets is 20 to 25 per cent. less now than it was 20 years ago, and the rate of carriage on the railways is about the same as it was 20 years ago.

21,548. (*Mr. Giffen.*) How much per gallon is that?—That I cannot state, but I can ascertain it. (*The following prices in milk in Derbyshire, as given by a large wholesale dealer, were subsequently furnished by the witness*) :—

Year.	Summer.	Winter.
1870 - - - -	7½*d.* per gallon -	8½*d.* per gallon -
1874 to 1876 - - -	7½*d.* ,, ,, -	9½*d.* ,, ,,
1878 to 1882 - - -	7*d.* ,, ,, -	9*d.* ,, ,,
1884 to 1885 - - -	6½*d.* ,, ,, -	8½*d.* ,, ,,
1886 to 1894 - - -	5½*d.* ,, ,, -	8*d.* ,, ,,

21,549. (*Chairman.*) But if cheese has fallen in the proportion that you speak of from 80*s.* 9*d.* per cwt. to 35*s.* per cwt.; and if butter and milk have gone down 25 per cent. it is difficult to see how rents could have been maintained?—In the good years, 20 years ago, farms were paying farmers very well in my part of the country; but at the present time it is only one in many who is making a fair profit.

21,550. Are they losing money?—Some of them are losing money; a few have had to go to the wall, while others have given up.

21,551. Are the others holding their own?—The bulk of them; others have gone to the wall, and others have given up to avoid that.

Rating. 21,552. Taking the average of farms, should you say that their assessments for rating have been reduced at all or not?—There is a grievance in that; inasmuch as rents having been kept up rates have also been kept up; whereas, if the rents had dropped the rates would have dropped proportionately. In some unions they have taken the rent purely as the basis of rating. I happen to be the chairman of an assessment committee, and we have never until recently gone on that basis, because we have considered it a double injustice on a man highly rented to rate him accordingly, whereas a man who is low rented would receive a double benefit in being rated low.

21,553. You have not taken the rent as a basis of value?—As a guide, but not as a basis.

21,554. Have you reduced the assessments of farms?—There have been so many complaints of the great injustice, and there have been so many remissions or abatements of rent at various per-centages, and those complaints have been brought before us so often that we have decided now to go on rents pure and simple as a rule. We have made that change within the last few months. *Prof. J. P. Sheldon.* 31 May 1894.

21,555. You have decided to go on rents?—We shall make it a rule now, whereas we never made it a rule before. That is in the Union of Leek in Staffordshire.

21,556. Why did you make the change?—Because of the drops of rent in individual cases, not so much on the large estates; and because also of remissions of rent which people who have appealed to us have shown to have taken place, and they have claimed reductions of rating.

21,557. Have you refused those reductions of rating?—We have not lately; wherever we have had proof given to us of dropping of rent we have reduced the rates.

21,558. Instead of making the permanent reductions the landlords have made abatements from year to year; have you kept up the assessments or made reductions of the assessments in those cases?—We have taken no notice of the abatements, especially where they have been so irregular as they have been; but we have made allowance where the abatement has continued for some time.

21,559. Then the landlords instead of making permanent reductions have made abatements from year to year?—They have made remissions.

21,560. They have made remissions from year to year irregularly?—Yes.

21,561. And in this case the tenants have not had the full benefit of the reductions in their assessments?—We have not considered that a sufficient reason; but have proceeded on the gross estimated rental.

21,562. What is the name of the union?—Leek.

21,563. Has the total assessment of the union been lowered, or not?—It is lower, so far as the rural portion of the union is concerned, but in the urban portion it has increased pretty rapidly.

21,564. What is the reduction in the rural part?—I could not tell you now.

21,565. Perhaps you will add that to your evidence?—I can probably obtain those figures from our clerk, and, if so, will send them on to you. (*The witness subsequently supplied the following information*) :—

RATEABLE VALUE of the RURAL PORTION of LEEK UNION (Staffordshire). One urban, one mining and manufacturing, and two residential parishes being omitted, the object being to show the fluctuation in 20 years.

1874.	—	1894.
£ 56,042	18 parishes - -	£ 55,843

From the aggregate of 1894 ought to be deducted some 300*l.*, which represents increase in rateable value of railway property in three parishes. This would show the small decrease of 500*l.*, or barely one per cent., in the rateable value of these 18 parishes in 20 years.

Margarine. 21,566. (*Captain Owen Thomas.*) What is the natural colour of margarine?—It is very pale; very white. It is made from animal fat, which is much more nearly white than butter is. With reference to margarine I think it ought not to be coloured at all; it ought to remain in its natural colour.

21,567. (*Chairman.*) As there is a Committee of the House of Commons going to sit on this subject, perhaps it will be sufficient with regard to that point to say that the Act with regard to margarine ought to be altered so as to give better protection to the farmers who produce dairy produce?—I think certainly the colouring of margarine ought to be prohibited. Then we have cheese made to imitate cheddar and stilton. That is made in the United States and Canada. I do not see how we can interfere with that. Cheese.

21,568. When you say it is made in imitation of cheese I presume it is cheese; it is not something else?—It is cheese; and so I do not see how we can interfere with that, but it is one reason of the present depression, so far as many parts of the country are concerned, that is in the great cheese producing counties.

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21,569. They produce cheese not quite equal to the cheddar, but it comes in competition with it?—I do not believe that cheddar cheese or stilton cheese made elsewhere can equal the cheese of our own country.

21,570. But they produce a cheese which though not equal to our cheese yet comes in competition with it?—Undoubtedly.

21,571. And tends to lower the price of our best quality?—I daresay you know that you seldom meet with a stilton cheese worth eating now-a-days, whereas, 20 years ago, you could commonly meet with one.

21,572. What is that due to?—It is due to the stilton cheese coming so freely from abroad, and cutting down the prices. Our own stilton cheese makers were able to make them with double cream, that is, skimming the night's milk, and adding the cream to the morning milk; that is, double cream.

21,573. Has the competition for cheese of a somewhat less quality been so great that the producers of it have been induced to lower the quality of this cheese?—In the case of Stilton, this is true.

21,574. (*Mr. Chaplin.*) Would not a better cheese, the old fashioned ones, command a better price than the foreign ones?—I believe the demand for anything very high priced has considerably fallen off, even where the quality is good.

21,575. (*Mr. Channing.*) But some of these competing American cheeses are made of margarine?—In the United States, some years ago, it was made of margarine, but that so demoralised the name of American cheese, that they have to some extent left it off.

21,576. (*Chairman.*) Have you got any cheese or butter factories?—Yes, a few; eight or ten.

21,577. Have they answered?—They are going still, and answer fairly well; I believe the cheese is better than the average farmhouse cheese.

21,578. Do they tend to raise the quality of the cheese? They raise the average quality of the cheese. I doubt whether the cheese factory will produce the finest possible cheese, equal to that of the best farmhouse. But where you find a farmhouse that has a fine quality of cheese, you will find 10 farmhouses with a more or less inferior quality.

Butter.

21,579. And instead of these 10 producing an inferior quality when they send it to the factory, the result is rather to make it better than the average quality?—The average quality of cheese has increased, and so too with butter more particularly. I believe that butter suffers more from being made in farmhouses; it not only suffers from want of knowledge of the persons who make it, but from want of accommodation, and it also suffers in the market from want of uniformity, and that is of the greatest possible importance in this age.

Dairy factories.

21,580. Is there room in your district for more factories?—Yes, I think there is room for more, but the milk trade has been checking, for some time past, the establishment of cheese or butter factories with us.

Security of tenure.

21,581. Will you give us your opinion on the subject of land tenure?—With regard to land tenure I think I have already stated the gist of my opinion, namely, that we have at the present time no Act of Parliament which gives sufficient encouragement to farmers to farm well, and which gives them sufficient security for the capital which they may bury in the soil.

21,582. What do you suggest?—I should suggest an Agricultural Holdings Act very greatly improved, and made much more liberal to tenant farmers. In the end that would be a great benefit to the landlords. I believe that the landlords who have hindered the process in Parliament of giving this due security to tenant farmers, have been blind to their own interests all along.

21,583. What changes do you recommend?—Such changes as would secure to a tenant, when he left his farm, that he would receive the full value, no matter whether it rose or went down, of the unexhausted improvements which are an advantage to his successor. Also, and perhaps even chiefly, such security as would give to a man who was not quitting his farm, the value of his improvements before the rent was raised, or could be raised.

21,584. Take the case of the dairy farmers of your district; what are the specific recommendations you have to make for the amendment of the Agricultural Holdings Act?—I do not know whether I could give you offhand any specific recommendation on that point.

21,585. (*Mr. Channing.*) They require good buildings, do they not?—The buildings as a rule are tolerably good. The buildings themselves are not vital, because a man cannot get his rent out of the buildings. Of course good buildings are a great convenience, but what he wants is proper and ample security that he shall receive, when he leaves his farm, or before his rent can be raised, if he happens to be remaining, the full value of whatever he has done to increase the value of that farm to an incoming tenant for instance. I should be inclined myself to give him the right of free sale of improvements. I speak now as a landowner, as a yeoman farmer; as a man who has tenants of his own. I am perfectly prepared to give the right of free sale of those improvements, and in the end and before long I think that landlords will perhaps wish they had done so.

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Free sale of improvements.

21,586. I do not quite understand what you mean by "free sale." Do you mean that the tenant is to have the right of selling his interest to any fresh incoming tenant without the consent of the landlord?—Yes; but let the landlord buy that interest if he likes.

21,587. Supposing the landlord does not wish to take the land himself, would you allow the tenant, without the consent of his landlord, to sell his interest in the farm to any other incoming tenant?—Yes, just as a London shopkeeper would sell the goodwill of his shop to an incoming tenant.

21,588. Would you give the landlord any choice of the tenant?—You could not give him that choice, unless he bought the improvements himself. In many cases it would be worth while to purchase those improvements; he would have money value for them, and his farm would let for so much more.

21,589. Then he could let the farm to whom he liked?—Yes.

21,590. (*Mr. Lambert.*) In defining the tenant's interest would you term goodwill of the tenancy of the farm as his interest, or were you only referring to improvements that the tenant has made?—Purely to improvements, the other thing does not count a bit; at least, it ought not to count. I am speaking purely of improvements. I should not care to establish a second proprietary interest in the land, except in so far as it had been created by the tenant who was leaving; and in the case of the sale of such improvements I think I should leave to the judgment of the man who wished to buy them, and become the incoming tenant, what he gave for them.

21,591. (*Mr. Chaplin.*) Do you put any check upon the rent that the landlord may charge?—The rent would be the same.

21,592. (*Chairman.*) Supposing the landlord was to raise the rent next year?—Then he must pay the farmer the current value of those improvements and the farmer could go or stay.

21,593. You would not pay what the incoming tenant had paid?—Not necessarily.

21,594. He would only pay for the improvements effected within a reasonable period?—The improvements would cover the time for which they had been previously paid for so long as they were unexhausted.

21,595. So long as they were unexhausted?—Yes.

21,596. (*Mr. Chaplin.*) When is the rent to be fixed, and who by?—It is to be fixed between the landlord and tenant to begin with, at all events.

21,597. When are the improvements to be sold?—When the man leaves his farm.

21,598. When is a person to buy the improvements?—When the other man leaves the farm.

21,599. A man may leave a farm without the other taking it; are they to be bought and sold before the rent is fixed?—I assume the rent would not be altered. The incoming tenant would take it at the same rent or what it was worth.

Judicial rents.

21,600. (*Chairman.*) Do you think that such a proposal is possible without a process of fixing the rent by a judicial tribunal?—I am not quite prepared to give an immediate answer to that. There is a great deal in that point.

24,601. Perhaps you recollect that at the time the Irish Land Act was discussed, it was considered that free sale of the tenants' interests almost necessarily, if not actually necessarily, involved the determination of rents by an independent tribunal. Taking your own proposal, giving free sale to the tenant, do you think that that would involve the judicial rent?—I think it would, inasmuch as farms vary as to their letting value; that, as the times

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alter, a farm is worth more or less than it was 10 years before, and therefore a revision of rents would be necessary. But what I object to is, that there should be a revision of rents owing to the improvements that the tenant farmers have put into the soil. That is the thing I object to; that a tenant farmer should have his rent raised, according to the common saying, "On his own improvements"; whereas, if he had not improved that farm, the farm would not have borne an increased rent.

21,602. I suppose it might be possible to meet the point by proper provisions between the landlord and the tenant so that the tenant should obtain sufficient compensation from the landlord on leaving his holding?—From the landlord or the incoming tenant.

21,603. But you are now proposing that he should have the free right of sale?—Yes, the free right of sale.

21,604. The question is whether as a necessary condition of that free right of sale, would it not be necessary to have a judicial determination of the rent?—I think that it would be necessary in many cases.

21,605. Are you favourable yourself to judicial determination of rent?—Yes, I think I would be.

21,606. Do you think that that determination should be for a term of years?—It is difficult to lay down any hard and fast term of years under which that system would work well, because the fluctuations from prosperity to depression are too rapid; sometimes we have prosperous times when things go up rapidly, and at other times they go down rapidly in two or three years.

21,607. The same difficulties and objections that tenant farmers now feel about taking leases would apply also to any proposal to fix a term for the judicial rent?—I don't know that it would necessarily apply in that case; but farmers in my part of the country would not wish for leases under any circumstances.

21,608. That I rather gather; but would they be willing that the judicial rent should be fixed for a term of years?—I think that they would, especially at the present time; and I think we are not sure that things are not going to be worse than they are.

21,609. Supposing it were for a judicial term of seven years; at the end of that time in your opinion should the tenant have a claim for a further period and so on?—Do you mean to have another fixing at the end of the period?

21,610. Yes?—Well, I do not think that I should object to a rule of that sort.

21,611. I want to know what your proposal is?—My chief proposal is that the outgoing tenant or the sitting tenant, before there is any alteration of rent, should receive what is properly due to him.

21,612. But you think that that would probably involve a judicial rent and that you were favourable to judicial rents. Now assuming that, I want to know whether you would involve a renewal of the judicial period?—I thought you wanted me to state whether I thought that renewal should be made periodically at stated periods.

21,613. Quite so?—I suppose it would have to come to that in the end—either seven to 10 years.

21,614. Practically it comes to making the tenant part owner of the land?—For the time being.

21,615. But if those judicial terms are to be periodically renewed that would mean giving the tenant a perpetual right, would it not?—I do not think so; I do not see that it necessarily would. I think that the landlord must still have power to give notice for the man to leave if he wants to.

21,616. (*Mr. Channing.*) On specific grounds?—On specific grounds.

21,617. For instance, if he does anything that is inconsistent with his reasonable tenancy?—Yes.

21,618. (*Chairman.*) Do you mean at any time, or only at the end of the term?—At any time.

21,619. Then the judicial period would be subject to the landlord giving notice when he thought fit, or the tenant on his part giving notice?—I think that both parties should be at liberty to give notice between times. Besides if you are to give a tenant full legal security for his improvements you must give the landlord proper security against deterioration. What is "sauce for the goose is sauce for the gander." I consider if landlords in the past had given this security which I speak of to tenant farmers, that there would have been fewer farms thrown on the landlords' hands than there have been, because the farmer having buried a good deal of his own capital in the soil would be very reluctant to leave it. He would feel that in a falling market he would not get the full value of what he had put into it, and therefore he would hang on longer.

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21,620. But short of judicial rent and of free sale of the tenants' improvements, are there any recommendations which you would give for the amendment of the Agricultural Holdings Act?—The Agricultural Holdings Act of 1883 has a fault inasmuch as it has various permissive features, and those are very confusing to the ordinary tenant farmer mind. The tenant farmers, as a rule, have not judicial minds.

The Agricultural Holdings Act.

Section 3.

21,621. (*Mr. Little.*) What are the permissive features?—In section 3 it says that the landlord and tenant may enter into an agreement in respect to compensation under the first schedule, and such compensation—these are the words of the Act—"shall be deemed to be substituted for "compensation under this Act."

21,622. That is conditional on its being fair and reasonable?—Well, the Act of course says that it must not contravene the spirit of the Act; but we know that you can drive a coach and four between those things tolerably easily if you like. Then section 4 says compensation under this Act shall not be payable unless the tenant has given notice of his intention to execute specific improvements under schedule I. The second paragraph says: "The landlord and the tenant may, if they think fit, "dispense with any notice under this section, and come to "any agreement between themselves."

Section 4.

Consent of the landlord to improvements.

21,623. (*Chairman.*) How do you think that should be dealt with?—I think that it should be definitely laid down so as to make it impossible to have any opening for the landlord and tenant to come to terms on this point, because they do not meet together on terms of equality. The landlord is the much more powerful of the two, and could exact his own terms from the tenant farmer, and therefore, to save the tenant farmer from his own weakness and the superior strength of the landlord, the Act ought definitely to lay down these things.

21,624. Before you pass from that Act, that clause applies only to the first schedule of the Act?—Yes.

21,625. And mainly to improvements which are generally known as landlords' improvements, such as buildings and so forth?—Yes.

21,626. Are we to understand that you think that the tenant should be entitled to make the improvements without the consent of the landlord?—Yes, I would give him that power. But, on the other hand, I would award him nothing for them unless they were really valuable to the farm, and if he happens to be foolish enough to put up unsuitable and otherwise useless buildings, then he should receive nothing for them; that should be his punishment.

21,627. You would give him full power to erect any kind of buildings that he thinks fit?—Yes, you might venture to do that.

21,628. Or any kind of planting?—No, I would not say that necessarily.

21,629. Planting of orchards?—Orchards, perhaps so, but not ordinary plantations; however, a tenant would not do that.

21,630. Then, as to the making of gardens or the making of roads?—As to the making of roads, decidedly he ought to be able to make roads as he likes; he would not be foolish enough to make a road where no road was wanted; if he were, he would be punished by receiving nothing for it at the end.

21,631. You think that the landlord's consent ought to be dispensed with in the first schedule?—It might safely; at all events these things might be definitely known that they cannot agree between themselves to contract out of the Act. Then section 5 in paragraph I. says the Act does not overrule "a contract of tenancy current at the com- "mencement of this Act, any agreement in writing, or "custom, or the Agricultural Holdings Act of 1875," so that it is not a compulsory Act if it does not overrule these things. Then paragraph II. says, "Any particular agree- "ment in writing which secures fair and reasonable com- "pensation shall be deemed to be substituted for compen- "sation under this Act." Then in section 33 it permits the landlord and tenant to set aside the Act in reference to notice to quit. The Act says 12 months, but they can substitute a six months' notice if they like. I am at a loss to conceive why that should have been put in the Act, because a good deal was said about the value of a 12 months' notice in comparison with a six months' notice, and yet in the Act, when it comes to be passed, permission is given that a six months' notice may be substituted for the 12 months' notice recommended in the Act. Those are the permissive features to which I take objection in the Act of 1883.

Section 5.

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The Agricultural Holdings Act and the custom of the country.

21,632. Are there any further amendments which you would suggest?— None occur to me for the moment. The farmers in my part of the country do not consider the Act of any value. They do not appeal to it; it is very complicated, and, another thing, it gives them an idea that they get something with one hand which is taken away with another, and it greatly puzzles them, and having tried to understand it and been puzzled once or twice in trying to understand it they throw it down in despair and prefer to have nothing more to do with it.

21,633. When a tenant takes proceedings are they taken under the Act?—As a general thing the valuers meet together and go on the old lines for the most part.

21,634. Is that because the custom of the country is better?—Not perhaps only that, but that is one reason, because the custom of the country is a thing they understand, and the Act is a thing they do not understand.

21,635. The basis of the Act was to leave customs which were better than the provisions of the Act, was not that so?—Was that the intention of the Act?

21,636. Yes?—The Act had so many intentions that it is really difficult to say that that was so or not. I am not quite clear about it.

21,637. Is it not the effect of the Act that it is compulsory in all cases, unless where the custom of the country is more favourable than the Act?—Compulsory? at all events it is not employed universally; it is left aside and expressly ignored.

21,638. In your own case the tenant farmers prefer the custom of the country, they thinking that it is more favourable, I suppose?—Yes, I think they do; I think that the custom is more favourable.

21,639. And therefore they proceed under the custom rather than under the Act?—Yes; I think that is so. But under the Act, in cases where they have used the Act the tenant farmers have complained to me afterwards that they have not been properly treated. I have a few instances; I can give you one of a tenant farmer who farmed on one of the largest estates in my part of the country under a noble landlord. He gave up a farm of some 500 acres, and he mentions one thing: he says that he had close on 900 roods of walling, the rood is 8 yards, that is re-building the old walls that had become decrepid; and he also put down 47 new gate posts, and for none of those did he receive one penny of compensation when he quitted that farm.

21,640. (*Mr. Little.*) Was he under an agreement?—There are always agreements of one kind or another on the large estates.

21,641. Did he contract to keep in repair the walls and gates?—Possibly to keep in repair but not to rebuild, rebuilding is very much more simple than keeping in repair; besides a man would not contract to put down new gate posts and receive no compensation for them, but he simply did put them down.

21,642. (*Mr. Elton.*) Did he supply the gate posts or only put them in?—My friend bought them. There are none on the estate there, I happen to know the estate.

21,643. That is important?—He got them from the nearest sandstone quarry a mile or two away, where people get these and sell them, and it is not on the estate.

21,644. (*Mr. Lambert.*) Had the tenant by his agreement to put down these gate posts?—I do not think so, I do not remember ever seeing such a clause in an agreement.

21,645. (*Captain Owen-Thomas.*) Did the tenant know, at the time that he was putting them down, that he would not be compensated when he left?—That I cannot tell you, for he has not said that to me, but he assumed that it would be under the old custom of the country and he would expect to be paid for them.

21,646. Is that the custom of the country?—Yes, but I am given to understand that the Act was called into force in his case.

21,647. (*Mr. Channing.*) He claimed under the Act and therefore excluded himself from the benefit of the previous custom?—Yes, from the benefit of the previous custom.

21,648. (*Chairman.*) He made a mistake in proceeding under the Act instead of the custom of the country?—Yes. Several farmers have burnt their fingers under the Act.

21,649. And he would have been much wiser if he had proceeded under the custom?—Yes.

Insufficiency of the Act.

21,650. (*Mr. Channing.*) Does not that show that the Act is insufficient?—Yes, the Act is insufficient; it does not cover such a thing as this which is common, namely, the getting out of rocks. Before you can plough the land you have to take out the rocks which are in the way of the plough. On the Derbyshire hills it is very common on the land ploughed, that the carboniferous limestone rock comes to the surface in various places, and this wants blasting off before the plough can be used; and the farmers have done that almost universally; and they have used the stone so got for the rebuilding and repairing of walls—walls which existed before they took the farms but which had become dilapidated and required repairs.

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21,651. (*Chairman.*) You think that improvements of of that kind ought to be included in the third part?—Yes, such as levelling the land and getting out the stone, and rebuilding the fences, not merely the repairs. I would say that the rebuilding of walls is practically the same thing as the replanting of hedges and quite as expensive a process.

Increased rents and valuation of improvements.

21,652. Then, with regard to the sitting tenant and the security for his improvements as against the raising of the rent, apart from the question of the judicial rent, if your proposal with regard to the judicial rent was adopted, the question of the sitting tenant would not arise. But I am now asking you for any suggestions for the amendment of the Act short of the judicial rent for the protection of the sitting tenant?—The Act ought to declare distinctly in words which could not be interpreted into being permissive, that when a landlord wishes to have an increase of rent for a given farm—no matter what the reason for that increase may be—it may be because everything is better, and the land deserves greater rent, or it may be for some other reason—but before getting that increase of rent, the tenant who as sitting tenant is living on the farm ought to be paid the current value of the unexhausted improvements; and after receiving the value, he can then take on again, or leave the farm if he thinks proper and let a new man come in.

21,653. Then every rise of rent would be accompanied by a valuation?—It would be accompanied by a valuation.

21,654. And then if the improvement is a tenant's improvement, the sitting tenant would have, as it were, to pay himself for it if it is a tenants' improvement?—No, he would receive ——

21,655. Supposing an unexhauted manure, as a continuing tenant he would get the benefit of that improvement?—Yes.

21,656. Would you require that the landlord should pay for an improvement for which the tenant is going to get the benefit?—Yes. I presume that the rent is to be increased. I say that before the rent is increased the tenant should receive the capital value of his unexhausted improvement.

21,657. It seems that would work in the case of permanent improvements; but in the case of improvements which are not permanent, which are likely to be exhausted, I do not quite see how it would work. The landlord would have to pay the tenant for the unexhausted improvements, but the tenant would then go in and would get the benefit of those unexhausted improvements, although the landlord has paid for them?—Yes; and in return for paying for them the landlord would get an increased rent, not only a rent increased owing to the natural increase of the value of the farm in case things are going up as they did 20 years ago; but also an increase of rent on those very improvements which the tenant has made.

21,658. That I understand with regard to permanent improvements and not unexhausted improvements, say, for manure?—I recognise no difference between permanent and temporary improvements with regard to compensation.

21,659. (*Mr. Channing.*) It is only a question of the assessment of the value?—It is only a question of the assessment of the value.

21,660. (*Mr. Elton.*) Supposing there is one year value of a particular unexhausted improvement left that is paid for by the tenant he naturally comes in again, and in the course of the 12 months he takes any unexhausted value out of the ground. Would not it seem very inconvenient to all parties, and in the view of the farmers also as well as the landlord, that he should get a sum of money for those improvements and should then in the next 12 months be putting the value of it into his pocket again?—Do you mean this, that a man is paid down for a 12 months unexhausted improvement, and he takes out presumably the value in the succeeding 12 months?

21,661. Yes?—When he leaves at the end of 12 months he gets nothing; he has taken it out.

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21,662. (*Chairman.*) Is he not paid twice over?—How can he; the year of life which still remained in the improvement is exhausted, there is nothing left at the end of it.

21,663. (*Mr. Channing.*) That is on the hypothesis that the landlord would have increased the rent in proportion to the 12 months' value of this improvement, would he not?—Of course he would. Suppose a man takes a farm for one year, and the improvements have two years to run, if he has paid for the two years' improvements he leaves one behind, if he quits at the end of the first year. There has always been great difficulty with reference to this question of land tenure, which we ought to make a serious effort to overcome. I have a special case which I can give you, with which I am thoroughly acquainted, with reference to the insecurity of tenants.

21,664. (*Chairman.*) Let us have that case?—This refers to a farm in Derbyshire of 320 acres. The tenancy lasted something over 40 years. It commenced about 1837 or 1838, I am not quite sure, and at that time the farm carried 25 dairy cows, and 65 breeding ewes, with young stock and horses in proportion, and that is all that that farm would do. There is a man now living who was a servant on that farm, if not in the first year or two at any rate within the first four or five years of the tenancy. I am speaking of from 1837 to 1841 or 1842, and he has repeatedly told me of the condition of the farm at that time. There were 200 acres of arable which was ploughed in rotation, lying several years in grass, and it was full of twitch. During the first quarter of a century that the tenant held the farm he laid out all the money he could make in improvements. The times were gradually improving, and farmers were gradually making more year by year, and they were able to farm well. He farmed well because he was one of those men who would farm well; he could not bear to farm from hand to mouth; and beyond that he had the encouragement of promises repeatedly and voluntarily given by the landlord that the rent would not be raised whilst he lived.

21,665. Not while the landlord lived?—Yes. For the first 25 years, all the spare money he made was laid out in improving this farm; and at the end of that period of improvement it carried 45 dairy cows, 120 breeding ewes, and even more than these, with the young stock in proportion again, so that the stock carrying capacity of the farm was nearly doubled. The tenant raised the condition of that farm to a very high pitch, with bones chiefly. It was land on which bones answered remarkably well with the dry carboniferous limestone; and, as we all know, bones are a very lasting improvement even more so than anything else we can apply to land in the form of manure. All this land was repeatedly boned and got into a very high state of condition. When it had got into a permanently improved condition, notwithstanding the repeated promises on the part of the landlord, which were given without being asked for in every case, the rent was raised, and no reason was ever given why that rent was raised.

21,666. When was it raised?—It was raised about 1870. A few years later than that the tenant died.

21,667. Do you know what the raising of the rent was in that case?—It was not a great rise, but it had such an effect upon the man's mind that it shortened his days, because he lost his confidence in the man of whom he thought most; he died in 1875. His son succeeded him and gave up the farm four or five years later. During the time the son was on that farm the repeated applications of bones to that land were supposed to be exhausted, because they had been applied for so long a time, and there was nothing under the custom of the country which would give any compensation for them.

21,668. Had the son not continued the process of applying bones to the land?—He had not any need to do so, the land was rich enough for all practical purposes.

21,669. (*Mr. Lambert.*) How long had he discontinued boning the land?—He had not entirely discontinued the use of them, but he had no occasion to use them as they had been used in the first 25 years.

21,670. (*Mr. Channing.*) The land was capable of carrying the stock, I suppose?—It threw up more herbage, and so the land was kept up in quality.

21,671. (*Mr. Lambert.*) How long had he ceased to apply the same amount of manure that his father had done; when did he slacken?—His father began to slacken before he died because there was no need to go on improving at the same rate.

21,672. How long before the determination of the tenancy was that?—12 or 14 years.

Compensation for "boning" land.

21,673. Would you consider that compensation should be paid for the boning of the land 12 years after it has been put on?—Yes; and in 50 years in many cases. I could show you the effect of boning the land 50 years ago, and you can see the improved quality of the grass to day.

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21,674. Would that be raw bones?—Raw bones. There were only raw bones used in those times.

21,675. Was it bone meal or half-inch bones?—Half-inch raw bones; those are what he used during the 25 years when he improved the land.

21,676. Would there be many half-inch bones used at the present day?—They are used pretty considerably, but nothing like what they were, dissolved bones and superphosphates, and so on, are used now.

21,677. (*Chairman.*) Would you say generally that the effect of bones is to last as much as 50 years?—It depends upon the character of the land; you can see the effect of boning 50 years ago in favourable cases.

21,678. (*Mr. Channing.*) That is where the land is well fed with plenty of stock afterwards?—Where the land is used in the ordinary manner you can see in the spring the difference between where the land has been boned and where it has not.

21,679. (*Chairman.*) In this case where the son gave up four or five years after the death of the father, did he get nothing on leaving his farm in the way of compensation for the expenditure on bones?—He got nothing whatever as compensation for bones, and what he did get amounted to very little indeed.

21,680. On the ground that so many years had elapsed since the real expenditure took place?—The time was considered to have expired. He left the farm before the Agricultural Holdings Act, 1883, was passed, and went on the custom of the country, under which the time had expired.

21,681. The custom of the country gives something for bones. What is the period allowed by the custom of the country?—Seven years on pasture, permanent grass, pasture, not meadow; and three years on land from which arable crops are taken.

21,682. How much is allowed, say, in six years?—One-seventh of the cost in each year in grass land, and one-third in arable land.

21,683. What do you say it ought to be?—It ought to be whatever value is left at the time, and of course that is extremely difficult to assess. I think the safest and fairest way is to offer it by auction, and see what practical men are prepared to give for it; you will get the value then.

21,684. That of course implies your recommendation as to the free sale of the tenants' improvement?—Yes, as to the free sale of the tenants' improvement.

21,685. But short of that if you were to amend the Agricultural Holdings Act without importing that principle what would you recommend with respect to the question of boning?—What we may call the life of bones varies so very much on different kinds of land that it is difficult to lay down anything, and the simplest plan would be to let it be sold and let the public judge what the life was worth that was left in it. Those who wished to bid for it would decide.

21,686. (*Mr. Little.*) The compensation is now given by the Act upon the value and not upon the time that has expired. There is no limit of time, is there?—I do not remember what the Act says. There is none in the Act, I think. This entirely depends upon the notions of the valuers as to the time they shall allow the improvement to cover, and they go naturally on the old ideas of bones having so many years of life, and other things having so many years of life.

21,687. (*Chairman.*) It would seem to be more the fault of the valuers than the Act?—To a great extent.

21,688. The Act gives unlimited power?—It is the fault of the valuer, but primarily the fault of the Act for not guiding the valuer. The Act should lay it down so definitely that no valuer could go wrong.

21,689. (*Mr. Little.*) Do you mean to lay down a scale?—Yes.

21,690. And that in the face of what you have already said that the same scale would not be applicable to different parts of the country?—I said there was a great difficulty in that; and therefore it would be extremely difficult to lay down a scale; one scale would not be sufficient, but several scales applicable to different kinds of land. It is extremely difficult, and for that reason I should advocate the free sale which would be a much simpler process.

Free sale of improvements.

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21,691. (*Mr. Elton.*) You used the expression "the tenant's interest," did you mean his interest in the unexhausted improvements?—Yes, in that.

21,692. That might be for a valuer. It is rather small in comparison with the larger values such as the landlord's interest, and it is conceivable that it might be a secured charge on the landlord's interest?—I do not see why it should not.

21,693. It is very easily conceivable that it might be secured on the landlord's interest?—Very easily.

21,694. Why put the landlords into so difficult a position as to say that the tenant should have the power of the free sale of improvements which gives the complete control of the tenancy to the person selling the improvements?—That is not the result.

21,695. It enables him to name the new tenant?—It does not give the control to the person selling the improvements but to the person buying them.

21,696. I thought he sold them to a person whom he would accept as purchaser. He is the one who chooses the new tenant and not the landlord?—No, he would not choose the new tenant.

21,697. At any rate he puts it up for sale and somebody purchases, the landlord does not take the new tenant?—The new tenant would choose himself by the act of purchase.

21,698. Is not the landlord intentionally put by your plan into a very much weaker condition than is necessary because he has a tenant, whom he has no voice in choosing, put on to his farm while the thing might be arranged on a fee simple?—As to the weak position in which you would reduce the landlord I do not think that in regard to many parts of England you could increase the weakness between the parties at the present day. Landlords would be only too glad now for a man to purchase the outgoing tenant's improvements and thus to become the incoming tenant.

21,699. You think that they would be willing to give up their power of choosing the new tenant, if they were told there was one coming who had bought the interest in the bones or the lime; that that would be sufficient for them?—I think as a general thing it would.

21,700. That they do not care who it is that is to come and look after their land?—As a rule landlords do not exercise much choice with regard to their tenants. When a man dies, for instance, a landlord does not exercise much choice about receiving the son; he does receive the son, as a matter of custom.

21,701. Does the landlord not consider whether he has capital or is industrious, or anything of that sort?—They give him a trial, even if he has not very much capital.

21,702. Even if a man has just got money enough to pay the interest on the bones, and goes as a speculatee?—I am not prepared to give you a definite opinion on that point

21,703 Mine was a very cautious question; why put the landlord in this position if you can make it very much easier for him by a charge upon the fee simple?—I do not think that it would be a matter of very great difficulty for the landlord after all; but it would be a matter of very great convenience for the tenant, and I am looking at that point, most of all. But I would not greatly convenience the tenant, and greatly inconvenience the landlord at the same time, if I could possibly avoid it, I should be going against myself if I did.

Margarine.

21,704. I will not ask you anything about the Margarine Act, except one question just to put another answer on the notes. I understood you to say margarine was always made of animal fat?—That is the basis for the most part.

21,705. Is it not also made to a great extent from cotton seed oil?—Yes, it is made from various kinds of oil—earth nut oil and many kinds that we do not know very much about.

21,706. Then cocoanut oil is mixed with it, is it not?—Yes, very likely.

21,707. Does your answer about the colour apply to those oil margarines as well as to the old-fashioned fat margarines?—Yes, any kind of margarine I think ought not to be artificially coloured so as to imitate butter.

21,708. Are the oil margarines coloured as well as the fat margarines?—They are all coloured I believe. I do not think any margarine is made which naturally, from the ingredients of which it is composed, has a colour high enough to imitate butter.

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21,709. I ask because I think railway grease is made of cotton seed oil, and that has a very fine buttery colour?—Cotton seed oil is too pale in colour to imitate butter. Besides, they would not make margarine of cotton seed oil, it is too soft, and they could only use moderate quantities of it; so that the colouring matter in the cotton seed oil would go a very short distance.

Condition of farmers.

21,710. (*Captain Owen Thomas.*) Would you say the farmers in your district are able to make their rents out of their holdings?—Now-a-days?

21,711. Yes?—Those who farmed well in the old times are able to do so, but a great many of those who farmed badly have gone to the wall, or left, or something. Those who farmed tolerably well years ago have had farms that were tolerably productive, and that has helped them along, and they have been naturally more reluctant to leave their farms than they otherwise would have been, and they have kept on farming through the bad times more or less.

21,712. And have been able—for that was my question—to make their rents out of their farms?—Yes, I think a good many are paying their way. They get remissions, which help them along. But these remissions are very objectionable. I think they demoralise the tenant farmers; they pauperise them, that is, they give them a sort of pauperising idea. They have a similar effect on the minds of tenant farmers generally to that which the law of distress has. This law of distress is a sort of penal indignity on tenant farmers.

Law of distress.

21,713. (*Mr. Channing.*) I do not think you have stated your opinion as to the law of distress; would you say what you would do with regard to the law of distress?—I would give the landlords—and mind you I speak as a landlord—just the same right to recover what is owing to them as I would give any other creditor of the tenant—that right and no more.

21,714. Are you in favour of the abolition of the law of distress?—I am in favour of the total abolition of what is called the law of distress. Let the landlord take his chance with other creditors.

21,715. Would you give your grounds for that opinion—have you any illustrations in favour of it?—I do not know that I have got any specific illustrations to give you, but I give my opinion based on long watching of this matter.

21,716. Do you think it would be to the benefit of the farmers if the law of distress were abolished?—Yes, I think they would be able to deal with tradesmen on easier terms to themselves if the tradesmen were conscious that they would have the same chance that a landlord has of getting their share of anything there might be in case of insolvency.

21,717. Do you think the advantage which the tenant gained in that way would counterbalance any possible disadvantage arising from having to pay the rent more promptly?—Yes, I think it would quite balance that. Besides, as a rule rents are paid tolerably promptly, I think, now-a-days—at least they have been for the most part. Landlords of late years have not been inclined to allow their tenants to fall very much into arrear. It would be to the advantage of the tenant also to keep him tolerably prompt in his payment of rent—tolerably so; at the same time the landlord would be understood to give such a fair amount of credit as any tradesman would give. There is an understood rule in those things. It is not easy to lay down exactly what you would do; but there is a rule which is understood.

21,718. Are you aware that in cases where the rent is paid in advance, the landlord has sometimes obtained distress for a longer period than the 12 months allowed by the Act?—I think he cannot claim now for more than 12 months rent in arrear under the Act.

21,719. I do not follow you; cases have been brought before us?—It has been done repeatedly in time back for five or even six years—the full limit. I think a landlord could claim for six years arrears under the old régime.

21,720. The cases I was alluding to are cases brought before us in which the rent was paid in advance, and yet under the present law the landlord was entitled under legal decisions to levy distresses for 12 months in addition to what had been obtained in advance?—But surely he could not levy for that unless he had some claim for it.

21,721. We will not pursue the question; we had evidence before us to that effect?—I have met with no instance of that sort at all events.

21,722. Are you of opinion that the right of distress should be not limited to 12 months only but should be got rid of altogether?—It should be got rid of altogether.

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21,723. About this question of the compensation for boning; the periods that you have named are what are usually taken by valuers I think; that is, seven years on pasture?—Yes.

Compensation for "boning" land.

21,724. And from two to four years on arable land?—Three years where arable crops are taken.

21,725. Of course it is more applicable to grazing farms than to others. As I understand it, the case which you have brought before us amounts to this—that where high farming has been carried out for a number of years and the stock carrying powers of the holding increased in that way, there is a tendency in that improvement to be permanent, and a man should have compensation for the full value he has thereby added to the land?—Those improvements would decrease very slowly indeed; so slowly that the lifetime of one man is not in comparison with them.

Increased rents and valuation of improvements.

21,726. The Chairman asked you as to the neeessity of having judicial rents fixed, but as I understand your evidence as to the protection of the sitting tenant, you think it is hardly necessary that there should be a judicial rent fixed in that case. What you contemplate I suppose is this: that where there is an alteration in the terms of the tenancy, the tenant should be entitled to say that there should be a valuation of what he has contributed to the current value of the farm?—Yes, I think so, and then he can please himself whether he accepts the farm at the new rent or leaves it.

21,727. It does not necessarily imply that a court should decide what is the fair rent of the farm?—Not necessarily by any means.

21,728. It merely implies, as I understand, that the tenant should obtain full value on his improvements before the rent is altered?—Yes; I believe if that was the law of the land and became the custom of the land throughout, that the other thing would right itself, and fall into working order with no difficulty.

21,729. I do not know whether you have considered the clauses in the Bill which I introduced into Parliament covering that point, which were based on certain statistics of Sir James Caird's?—I have not considered them very deeply; but I have read them through and I was very much struck with their fairness. I thought there was a great deal in them which was valuable.

21,730. I would only ask you whether it is not possible to carry out the scheme which was suggested by Sir James Caird, namely, to have a reduction of rent for a certain number of years, based on the period of the exhaustion of the improvements for which the tenant claimed compensation?—A reduction of rent for a series of years—what is that?

21,731. Instead of having a capital sum paid down by the landlord, that, in dealing with the sitting tenant, he should be able to pay him by reducing the rent claimed for a certain number of years in proportion to the period of exhaustion?—That would be simply the *status quo ante*, nothing more; the rent would not be altered you see. That is what we want. If the rent is not altered, we want nothing more than that for an improving tenant.

21,732. You would prefer a capital payment down, in fact?—No, I would not say that. If the landlord would agree to lower the rent proportionately then I would say, it is all very well, only they would have had the trouble of valuation all for nothing, because they would stand where they did.

21,733. Practically giving such power to a tenant ——?—Giving the moral power ——

21,734. Would enable him to bargain on a footing of greater equality with his landlord?—Yes, undoubtedly it would. I had missed that point for the moment.

21,735. In one of the cases you alluded to, I think there was a change of ownership, was there not?—In reference to the farm of which I gave the particulars?

21,736. Yes?—There was no change of ownership.

Compensation for disturbance.

21,737. In cases of change of ownership, and eviction in consequence of that, would you give the tenant any right to claim compensation for disturbance?—Undoubtedly.

21,738. Some cases have been brought before this Commission of tenants who have had notice to quit served upon them because of their undue use, in the view of the agents, of the Ground Game Act and other things of that kind; would you give compensation for disturbance in that case?—Undoubtedly; and very liberal compensation I should be inclined to give, if the cause of offence were simply a question of game.

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21,739. As regards the turning out of tenants, do they not incur a great loss in their removal, and in the forced sale of their goods and implements, and so on?—Even if an outgoing tenant received every penny that he was morally entitled to, it would still be a great loss and an inconvenience to him to move from one farm to another, beside the unpleasant frame of mind he would get into by breaking up old associations, and so on.

21,740. As a matter of fact, has that operated in your opinion as a pressure upon tenant farmers to accept less favourable terms than they were fairly entitled to?—Rather than leave the place they were so well accustomed to, and the people they knew so well, they would submit to terms which they would not submit to if they went to an entirely new farm in a fresh district.

21,741. Have you considered how you would assess compensation for disturbance; would you put it merely at the cost of removal and the loss by removal, or how would you fix it?—I do not know what I would do with regard to compensation for disturbance; I am not very anxious for compensation for pure disturbance. If you give sufficient compensation for actual improvements, I think the rest is not of very much value.

21,742. Perhaps you would consider the proposal to give compensation for disturbance as an alternative to your proposal for giving compensation to the sitting tenant?—You do not mean that you would give both compensation for unexhausted improvements and compensation for disturbance pure and simple, do you?

21,743. I want to see how you are to put the tenant on a footing of equality with the landlord. One suggestion is compensation for disturbance, and the other is compensation to the sitting tenant; and I was asking you rather which you prefer of the two?—I prefer compensation for unexhausted improvements; that is a definite thing, the other is not.

The Agricultural Holdings Act. Schedules.

21,744. Have you formed any opinion about the value of the schedules in the Agricultural Holdings Act; would you approve, in a new Agricultural Holdings Act, of adhering to the form of scheduled items, or would you prefer an Agricultural Holdings Act in which there were no schedules, but a general instruction to assess the whole value added to the holding?—I think it is well to have schedules, but I would make them cover everything. These schedules do not cover everything; as I have told you, they do not cover the rebuilding of walls.

Compensation for improvements.

21,745. You are in favour, I understand, of giving the tenant a right to carry out permanent improvements, and to obtain compensation for them if they add to the value of the holding?—Yes, of course, if they add to the value of the holding. By "adding to the value," do you mean adding to the fertility of the land?

21,746. Yes?—The re-building of walls, for example, does not do anything of that kind, but it would add to the convenience and therefore to the value of the holding.

21,747. (*Mr. Little.*) The walls would add to the letting value of the holding?—Yes, they would add to the convenience of the incoming tenant. To have good fences is a valuable thing, of course. I think it is a great hardship on tenant farmers in my part of the country, which is to a great extent a stone wall country, that there should be under the custom of the country and under the Agricultural Holdings Acts of 1875 and 1883, no recognition whatever of his claim, of his moral right, to compensation for fences which he had rebuilt. The man whose instance I gave you just now, whose rent was raised, and no reason ever given for that increase of rent, rebuilt old fences which were decrepid; miles of them.

21,748. Am I to understand that the custom of the country imposes the obligation upon the tenant of remaking them?—No, but simply repairing; if a gap falls to build it up again.

21,749. You used the words, "the custom of the country" gave no compensation for rebuilding"; is it not a correlative of that, that the custom of the country assumes it to be the tenant's duty?—The custom of the country was undoubtedly faulty, as many mediæval customs are in that respect; and the Agricultural Holdings Act is undoubtedly faulty in the same way; but I do not blame the Agricultural Holdings Act so much, because it had the example of the custom of the country in reference to walls.

21,750. (*Mr. Channing.*) You mentioned one case in which the tenant would not get compensation because he went out under the Act, and the matter for which he could be compensated would come naturally under the custom; I understand your evidence to be that you think a sound

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Agricultural Holdings Act ought to cover all acts of improvement?—Yes, it ought to cover all acts of improvement.

21,751. It ought to be a machinery to cover all acts of improvement?—All those acts of improvement which a tenant performs that are of value to the holding; if they are of no value I would give the tenant nothing whatever for them.

21,752. I understand that you do not think it is desirable to have custom as an alternative to the Act, because it introduces confusion into the relations of landlord and tenant?—That is so; I think if we must have an Act at all the Act should be imperative, otherwise it is hardly worth while passing it.

21,753. And should cover all possible operations and improvements?—Undoubtedly; it should be imperative and adequate. A permissive Act of Parliament seems to me to be some extent a mockery upon the people.

Dairy farming factories.

21,754. Now I will just ask you a few questions about dairy farming; I do not think you have given any evidence about that. What would you yourself recommend as the best policy for increasing the advantages of dairy farming?—There is not anything you can do now to speak of.

21,755. Do you approve of the factory system?—Yes, but then you cannot expect the Government to do that. I take you to mean that you ask what I would recommend Parliament to do to benefit dairy farmers?

21,756. What policy do you think it would be best to adopt—we are not considering here what Parliament would do?—What Parliament could do would be to improve the Act in the way I have spoken of. I believe that the spread of cheese and especially butter factories in all districts not adjacent to a railway where the milk can be sold to advantage would be a very good thing, chiefly because of the difference in the butter made in England now in the farmhouses. It may be good in certain cases, yet the butter of one farmhouse will not match with that of another in the market, and consequently the large dealers in London and elsewhere do not care to meddle with so many different samples; they would rather have a large parcel of butter which is all alike, or nearly so, such as Danish or French butter.

21,757. It has been said to me recently by a great dealer in London that the British farmer is practically out of it as regards the demand of the London market for butter?—So he is, I believe, to a great extent at all events. He has lost the best of the London trade I am afraid.

21,758. Do you see no way, by extension of the factory system and co-operation, to remedy that state of things?—Those are the only means by which the foreigners have obtained the advantage they have done. They have no advantage in climate or cattle or natural skill. I believe that our climate and herbage and cattle are superior to those of any other country. We grumble at our British climate a good deal, but I think that in those qualities we grumble at lies its excellence as a grazing country and a butter making country.

21,759. Do you see any impracticability in the British farmer regaining and keeping the control of the butter market as well as of the milk market?—I am afraid he would have great difficulty in regaining that now, because he has lost it; and it is not easy to regain what you have once lost. I believe that had he taken measures early enough, such as the foreigners—the Danes and the French—have taken, he would never have lost it, as he has done. Mind you, at the same time, it is true that the British farmer cannot produce butter enough to supply the wants of the British people, and we must take the foreign butter all the same.

21,760. You think it is impracticable then for the British farmer to supply milk to the population we have now, and at the same time to provide an adequate supply of butter?—It cannot be done. What I am sorry for chiefly in reference to this matter is that the British farmer has lost his best market for butter, and the foreigner has got it.

21,761. Still by organisation, butter making would contribute to the prosperity of the farmer?—We might regain the trade, and I daresay we should regain a good deal of it in a few years. Take, for instance, the butter factory established by Lord Vernon some years ago at Sudbury in Derbyshire. It obtained a footing early and supplied large establishments, hotels and other places, with butter of a uniform and excellent quality for which I believe they got a price which was quite 4*d*. per lb. above the average price of the farmers in the district. They keep up that trade and have no difficulty in doing so; they cannot make enough of it in fact.

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Increased rents and valuation of improvements.

21,762. Now just reverting to the case that you spoke of, of a man being rented on his own improvements; I do not think you stated exactly what the rents were at the several periods and what the increase of rent was?—In that specific case I gave you?

21,763. Yes?—Land had naturally gone up in value a good deal during that period I admit, and, apart from the improvement question altogether, it was worth more rent undoubtedly. But before the landlord should obtain that extra rent to which I admit he was justly entitled, let him first of all square up with the tenant and start with a clean slate.

21,764. My question was what the rents were—I do not think you gave the exact figures, did you?—I cannot give you the exact figures from memory. It was a hill country farm that I am speaking of, and the bulk of the land was what was called moorland. I believe the average rent of the farm was about 17*s*. per acre. I doubt if it is worth 17*s*. now; it may be worth that and it may be let at that. I cannot tell you the rent it is let at now to a new man. It would not be let at nearly so much as it is at all events had it not been improved 30 or 40 years ago by the man I spoke about; but for him it would not be to-day commanding the rent which it is commanding, whatever it may be.

21,765. (*Mr. Lambert.*) What is the nature of the soil in your district?—In my own immediate district—I am just over in Staffordshire—we have a heavy soil resting chiefly on clay or sandstone or on shale; it varies.

21,766. Is it mostly grass?—Chiefly grass—90 per cent. of it grass.

Rents.

21,767. Have you given much attention to the amount of rent that is paid; is the amount of rent in excess of what you consider the real value of the land now?—At the present time it is; I think there ought to be a drop in the rent.

21,768. How much do you think rents have depreciated within the last 15 or 20 years—say since 1875 or 1879?—Do you mean in actual value how much they have been dropped?

21,769. How much they have depreciated?—Do you mean to ask how much less the land is worth now than it was then?

21,770. How much farmers are paying less now than they were 15 or 20 years ago?—As I said before, there has been no general drop in rents, but there have been remissions, and I know instances,—it would be invidious to give them, of course—which have come under my notice as Chairman of the Assessment Committee, in which farmers have paid what they could on account.

Reduction of rent.

21,771. Do you mean to inform the Commission that there has been no permanent reduction of rents in your district?—There has been no general permanent reduction.

21,772. Of course I mean a general permanent reduction?—There have been permanent reductions in certain instances, but there has been no general reduction. I might say that not more than one-fourth of the farmers in my part of the country have been dropped permanently.

Rent and prices of produce.

21,773 How much do you consider that agricultural produce has dropped?—Do you mean in all kinds of produce which we sell; cheese, butter, milk, beef, bacon, sheep, and wool?

21,774. Yes; in what proportion have they been reduced?—There has been an average drop there, I should think, of 30 per cent. since 1874.

21,775. Why is it that agricultural produce having depreciated 30 per cent., rents have not been generally reduced?—I do not know. Tenant farmers somehow or other hesitate very much before they will demand that drop in the rent, and if they give notice to the landlord to leave, with the object, not of leaving, but of getting a drop in the rent, unfortunately it too commonly occurs that there is another man, a tenant farmer, who is ready to step into their shoes at the old rent.

21,776. Is there a good competition for farms?—No, there is no keen competition now.

21,777. How is it that rents are kept up to the old standard when agricultural produce has depreciated so greatly, and rents in other parts of the country have been reduced?—In my part of the country farmers were making good profits 25 years ago, and the margin on which they made those profits has disappeared, and they are just paying their way now. That is about it.

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21,778. Have you given much attention to the question of land tenure?—In reference to the holding of land by tenant farmers?

21,779. Yes?—I have had a great deal to do with it in one way or another.

Judicial rents.

21,780. You stated just now that you thought you would be in favour of judicial rents; have you given much attention to that subject?—No, we have had nothing of the kind brought before us, but I have given a great deal of thought to it, and read a great deal about it, of course.

21,781. Would you be in favour of it; has your thinking led you to believe that judicial rents would be desirable?—In many cases I believe they would be very desirable from the point of view of tenant farmers; in other cases not. I think many tenant farmers, perhaps, would not care to appeal to a land court for example. In a period when prices were improving through a series of years it would not be to the advantage of tenant farmers to appeal to a land court.

21,782. I think you said that you would allow the landlord, as well as the tenant farmer, to determine the tenancy?—Undoubtedly; I would give the same chance to each of them.

21,783. Therefore practically you would have no judicial fixing of rents, because if the rent did not suit the one or the other the tenant or the landlord would give the other notice to quit?—I have no objection to the system of judicial rents and land courts, none whatever; but, at the same time, I think they would not always act well.

21,784. (*Mr. Channing.*) If you had fixity of tenure and fair rents you would surely have some condition which the tenant was bound to come under or else be turned out, would you not? There is no meaning whatever in having fixity of tenure and fair rents if you leave it open to both sides to break the bargain when they please?—Of course not; but I do not think tenant farmers in England would go in for what is called fixity of tenure or even the question of fair rents, if only they had full security and were sure that they would get the full value of their improvements when they left.

21,785. (*Mr. Lambert.*) So the bulk of your observations leads you to think that judicial rents, although probably judicious, may not be altogether desirable?—Not altogether desirable.

Sale of improvements by auction.

21,786. You said that you would allow the tenants to offer the improvements they had made upon their holdings by auction?—If necessary, by auction; or by private treaty.

21,787. How do you mean "if necessary by auction?"—If they preferred that course they might take it. Some men will offer their stock by auction, others will sell them by private contract; it is a matter of taste.

21,788. Do you mean that if the improvements were offered by auction the man who bid the most would then become the tenant of the farm, irrespective of the wishes of the landlord?—No, I would give the landlord the option of being the purchaser himself instead, if he liked, at that price.

21,789. At that price?—He might take it at that price if he liked.

21,790. Supposing that the improvements were offered by auction and a man knew very well that the landlord would take them off his hands probably he would ——?—Run them up.

21,791. He might run them up, or the tenant farmer might not get the full value of them?—If they were run up with the object of punishing the landlord, the landlord could say, Well, you have offered so much for these improvements, I will accept you as the incoming tenant. He would punish the man in that way.

21,792. But presuming he were an impecunious man, and not a desirable tenant, what then?—The landlord could get rid of him by giving him notice, and then the same thing would be gone over again.

21,793. Do you think the perpetual recurrence of such a state of things as that would be desirable?—I think the word "perpetual" does not apply to it. It would not be repeated more than once.

21,794. I mean to say do you think it would be wise in your view to allow the best bidder for improvements to become the tenant of the farm?—I think as a general thing it would. There might be instances, as you suggest, in which it would not, but as a general thing I believe it would be to the advantage of the community at large that it should be so. I believe that the bidding would be *bonâ fide* in those cases, just as it is for live stock that are sold by auction.

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21,795. But of course you have the disadvantage attaching to that scheme that impecunious and undesirable tenants could get possession of farms; and that would not redound to the welfare of the community?—Yes, possibly there would be cases of that sort.

Letting farms by auction.

21,796. In offering these improvements by auction would it not even lead to greater competition for farms than there is now?—Landlords would be delighted if it would; what they are short of now is competitors for farms.

21,797. How is it that they manage to keep up the rents if they are short of competition?—They do not keep them up as a general thing all over England, but they happen to do so in our midland counties, where it is chiefly grass land country. It is only in the grass land country that that can be done now.

21,798. Do you think it is a desirable way of letting farms to let them by auction, to put them up to public competition? Is it not the fact that it leads farmers to bid one over another and thereby run the rent up, for the purpose of getting a holding, to an amount which they are not able to pay?—Instances are not far to seek under which farms were let by tender some years ago at all events. I do not see much difference.

21,799. But is it a desirable form of letting farms to have one farmer bidding against another?—I would not say. I do not see why landlords should object to it if in good times they were prepared, as I know some of them were, to accept the highest bidder by tender.

21,800. My point was that it is not a very desirable form of letting farms, because it tends to increase the rents; farmers bidding one against another for the purpose of getting the holding, tends to keep the land at a higher rent really than the farmers can pay. Now do you think there are any changes in the system of cropping in this country which can be carried out to relieve the present depression in agriculture?—Do you mean with regard to arable districts now?

Changes in system of farming.

21,801. Yes?—Of course in grass land we cannot alter the cropping. No doubt with regard to the various catch crops, if farmers were allowed to grow what crops they thought best for their purposes at the time and were not to be bound by any strict cropping regulations or leases or anything of that kind, that would be useful to them I think.

21,802. Do you think that, instead of producing wheat on the arable land, they could produce something else which has not depreciated in value?—I think they would have to go in a good deal more for root and green crops for the support of stock.

21,803. Only for stock and not for dairying?—I include dairying, of course.

21,804. Do you think there is a great opening for tenant farmers in the direction of dairying?—Not very great I am afraid, but there is an opening which does not exist with regard to the growth of wheat.

21,805. Do you think there is any other opening beside for farming except in *la petite culture*?—I see no opening now, except dairying and sheep and the growth of crops required for the support of these animals.

21,806. Have you studied the Danish system of butter making?—I have not been there, but I know how it is done.

21,807. Would you advise such a system being in vogue in this country?—Yes. I think it is very desirable to spread the butter factories.

21,808. Do you think anything can be done in the way of poultry farming and such like smaller means of raising money?—Yes, no doubt a little may be done in that way; but as a matter of fact farmers who have gone in for it more or less in recent years do not seem to be very fond of it; it does not pay them very well. I fancy it requires special skill to be a successful poultry farmer.

Agricultural education.

21,809. Would you advocate the greater spread of education amongst farmers?—I would advocate the greater spread of education amongst all classes if that could be; but where a man has not brains you cannot make much of him.

21,810. Have you formed any ideas as to how farmers could have improved their condition by giving them improved facilities for producing things which now do not pay them to produce?—Recommendations were issued by the Board of Agriculture some time ago about crops; it

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would be very useful I think to have information of that sort sent about amongst farmers and it would be calculated to do a great deal of good; also the Agricultural Returns would have a distinctly educating influence, if only the farmers would use them, but I am sorry to say that to the best of my belief farmers generally do not take the trouble to use those things.

The Agricultural Holdings Act. Section 3.

21,811. (*Mr. Little.*) I should like to ask you just one or two questions upon the Agricultural Holdings Act with a view to getting at your real ideas. You complain of the permissive character of the Act?—I do.

21,812. And you refer to Section 3 which relates to permanent improvements if I may call them so—buildings and improvements of that character—where the consent of the landlord is required; do you object to that consent being required?—No, I do not particularly object to it.

21,813. Then do you object to the opportunity being given to the landlord and the tenant to agree upon the compensation?—Yes, I object to these words: "Any "compensation payable thereunder shall be deemed to be "substituted for compensation under this Act." Any provision of this nature which enables them to make a private agreement outside the Act is calculated to be more in favour of the landlord than of the tenant, because the landlord is the stronger man and can impose his terms.

21,814. Then you would absolutely forbid an agreement on such a point?—I would have the Act sufficiently definite to require no agreement.

21,815. Suppose a tenant wants an additional building on his farm and he asks the landlord to build it and the landlord says: "No, I have not got any money; "you build it and you shall have compensation under the "Act"; the tenant says "But I would rather make an "agreement and know definitely how much I am to have "at the end of my tenancy"; would you prohibit an agreement in that case?—Yes, I would prohibit an agreement; and rather than that there should be an agreement I would prefer to have the Act say that the tenant on leaving his farm shall be paid what the building is worth at the time he quits the farm, irrespective of what it cost or when it was made.

21,816. You would not allow a tenant strong enough as he would be in that position, to insist upon terms; you would not allow him to prefer the definite compensation to the chance of compensation by arbitration?—I think it is better that he should not have that liberty. I think it is better for both sides that this thing should be properly laid down by law, and that both should know that they must abide by it.

21,817. Do you not think that the tenant would have really a greater security by a definite agreement than by a chance of arbitration?—Under a good landlord he would, but under a bad one he would not.

21,818. It does not matter as to the landlord, it is the arbitrator?—The arbitrator takes his cue from the landlord or from the agent, very often

21,819. In one case a man makes a bargain to receive a certain proportion of the cost of a building, and he is satisfied with that agreement; in the other case he leaves it to arbitration. You think that arbitration is the better method?—I think it would work better than the other thing as a general rule. There might be instances where it would not work so well, but there would be still more instances where it would work better.

21,820. Then because a tenant might be foolish enough sometimes to make an improvident agreement, you would prohibit men of business making an agreement on such a point as that?—An Act of Parliament is supposed to be an act of business.

21,821. But an Act of Parliament simply lays down the principle of compensation; it does not determine the amount of compensation, does it?—No.

21,822. Compensation by arbitration must be speculative to some extent?—Yes, but I would rather trust to that as a general rule than I would to private agreements between tenant and landlord.

21,823. Then you think it better to encourage tenants to spend money upon a speculative amount of compensation rather than upon a definite amount?—No, I should not say that, if that definite amount were always sufficiently favourable to them, but I say this: that in the bulk of cases it would not be, and therefore I would prefer the other which would be more uniform in its operation.

Section 4.

21,824. Now as to Section 4, which refers to drainage, it has a permissive character; the tenant who wants land drained can make an agreement with his landlord to drain; the landlord can drain after notice, and charge the tenant so much per cent. or the two can agree as to the compensation: what would you do there; would you say first of all that the drainage should be done without consent?—Yes, I think so.

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21,825. That consent should not be required; and then that the tenant should not make an agreement with the landlord as to the terms of compensation?—Yes, I should make the same reply with regard to that; because I do not think as a rule that the tenant could make a fair agreement with his landlord if the landlord were inclined to be unfair, or the agent rather—we must not talk so much about the landlord as the agent.

21,826. (*Mr. Elton.*) You told me that the landlords were so weak as hardly to be worth considering, that they were in the extremity of weakness; but I observe that you tell Mr. Little that they are so strong as to be overpowering?—I said that in reference to landlords chiefly in the arable districts of England, and I am speaking now in reference to what landlords were in the past rather than what they are in the present.

Section 5. Agreement for compensation.

21,827. (*Mr. Little.*) Then with respect to Section 5, which permits a substituted agreement for compensation for manures. Are you aware that a great many tenants infinitely prefer compensation on a definite scale under an agreement to compensation by arbitration?—There will be some perhaps—I know there are some. Unfortunately for tenant farmers you will never find them all in one mind about anything.

21,828. Would you not say that a large proportion of the most enterprising farmers in England prefer compensation in that form?—Possibly they may. Mind you, I am not objecting so much to what you are now advocating. I object to so many permissive features in this Act, which leave so many loopholes, and which are so very confusing that the tenant farmers cannot understand it.

21,829. Would you affirm that the law should step in in every contract where men meet on equal terms and are capable of making a contract; and that it should impose a fixed rule?—Not on every question by any means.

21,830. On every question between landlord and tenant?—On questions where there is not equality of standing, equality of influence, I think that the law may with beneficence step in.

21,831. You assume the inequalities?—I assume it, and I know it to have existed and to have operated in many instances in the past more than it does at present. I am speaking now more of the past than of the present.

21,832. But in the past the presumption of law was entirely in favour of the landlord?—Yes.

21,833. And the Act of 1875 did away with that presumption?—The landlords could contract entirely out of that Act if they chose; and the bulk of them did, I believe.

21,834. Did they not, a great many of them, substitute agreements giving compensation?—Agreements of their own choice and fancy they did; but they contracted out of the Act.

21,835. That is pure assumption, is it not—that it was entirely the landlords' agreement?—You may take it for granted that it is the landlords' agreement when it is he who advances it. The agreement does not emanate from the tenant, but from the landlord.

21,836. Were not these agreements in many cases drawn up after consultation by committees in which tenants were represented?—On large estates there is a printed form, which is simply filled in.

21,837. Is that printed form based entirely upon the private ideas of the landlord or of his agent?—To a very large extent it is so, of course.

21,838. Are you not aware that a Committee of the Central Chamber of Agriculture sat for some time and formulated a scheme of compensation which was incorporated into a great many estate agreements?—Yes, I believe there was something of that sort done by the Chamber some time back.

21,839. That Committee of the Central Chamber was composed of representatives of all the different classes interested—agents, landowners, and tenants—was it not?—Yes, possibly.

21,840. Then those agreements would not be drawn up entirely from the point of view of the landlord?—Not entirely so, it is to be presumed.

21,841. The point of my question is that these substituted agreements were not the mere notion of the landlord

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or of the agent, but in numerous cases embodied terms which had been agreed upon by a representative committee of the Central Chamber?—That is long since, I believe.

21,842. Soon after the Act of 1883?—Yes, that is only 11 years ago. I had in my mind more the period of say 25 or 30 years ago, and the operation of the law then.

Free sale of improvements.

21,843. Now with regard to the free sale of improvements, the value of the improvements must be reckoned separately from the value of the land, must it not?—I do not see that the value of the improvements would want to be reckoned at all. The improvements are simply offered and the public know what is being offered.

21,844. I will take the case that you mentioned of a gentleman who had greatly improved some grass land by using bones. He has the opportunity of offering his improvements; he offers them to a neighbour who says, "I will give you 50*l.* or 100*l.* for your improvements "on condition that I can have the farm at the same rent "as it is now," there must be some condition of that kind. Then does it not become a question of whether that 50*l.* or 100*l.* is really due to the improvements or due to an increase in the value of the farm, apart from the improvements?—It would be due to the latter in part, no doubt, in improving times.

21,845. Then it involves the question, which must be argued out, of how much of this 50*l.* or 100*l.* that the incoming tenant is prepared to give is due to improvements, and how much is due to the increase in the value of the thing apart from the improvements?—Yes; that is a delicate question of course.

21,846. But it is a practical one, is it not?—Undoubtedly, but it would operate both ways.

21,847. It is one that must be dealt with?—Yes.

21,848. And that involves the ascertainment of the value of the land apart from the improvements?—The ascertainment of the natural increase in the value of the land since the time when the rent was fixed.

21,849. Yes?—But in bad times when things have been going down as they have for the last 15 years it would work the other way.

21,850. Then in bad times you mean that a tenant could sell his improvements at a reduced rate?—Yes, he would take his chance of the times. In bad times he would get less for his improvements. If you have the one you must have the other.

21,851. Again, taking your course of putting the improvements up to auction, there must be a condition in the sale that the rent is so-and-so, the ascertained value to the landlord is so-and-so?—Yes, it would generally be the old rent.

21,852. Otherwise there is nothing to sell?—It would be the old rent.

21,853. It is the difference between the rent which the landlord charges and the present letting value?—Yes.

21,854. Then the good landlord who lets at less than the value will leave his tenant something more to sell than the bad landlord who lets at the market value?—No, I think he would leave him no more to sell.

21,855. The margin between the present rent and the letting value is the difference between the two?—True.

21,856. If the rent is high, the margin will be small, and if the rent is low the margin will be large?—True; he would not leave the out-going tenant any more to sell, but he would cause greater competition for what he had to sell, and of course that would be an advantage to the landlord, for he would be sure of a tenant, whereas he is not now-a-days.

21,857. But he would get no more money, would he?—I do not know.

21,858. The money would be put into the out-going tenant's pocket would it not?—He could not get more money ——

21,859. The purchase money would be put into the out-going tenant's pocket?—Possibly some of it; but remember there would be very much fewer out-going tenants under those conditions than there are now.

21,860. You think that if a tenant had a valuable thing to sell he would be more likely to keep it than to sell it?—He would stick to it, and his children after him.

"Inherent capabilities of the soil."

21,861. There is one other question I should like to put, and that is about the inherent capabilities of the soil—you object to that as a condition?—Yes, I do.

21,862. Is it not a condition which must be taken into account in any valuation?—Possibly.

21,863. You admitted, I think, that bones and lime upon some land would last for a great number of years, and that on other lands they would last for a very short time comparatively; is not that a case where the inherent capabilities of the soil are a factor?—I admit there is something in the inherent capabilities of the soil, but at the best it is driving a very hard bargain. Take, for instance, land which has been waterlogged for centuries, and you drain it; the inherent capabilities of the soil and sub-soil are not immediately available after that drainage; it requires a long series of years in some instances before the land—the soil, and the sub-soil—becomes sufficiently oxidized for those inherent capibilities to be realised. Therefore the man who drains that land has to wait, if he remains tenant, some years before he can lay hold of those inherent capabilities very much, and if he leaves before they have come into play, by the efflux of time so to speak, then he has been passing a lot of time during which the outlay that he has incurred in draining that land, has not been sufficiently remunerative; but it is going to be remunerative to the next man pretty soon.

21,864. Is not all this provided for by allowing the landlord and tenant to agree upon terms and compensation—is that not a thing that would be taken into account in making an agreement?—Possibly it might.

21,865. "This drainage will not take effect for some few "years, therefore I must have not only a re-payment of the "capital money, but interest while that capital remains "dormant?"—True; you are quite right in that respect.

21,866. Suppose you have pools of water on the land and you make a drain and take those pools of water off, and the land immediately becomes available for cultivation or for grass growing; then that land is changed from what was worth nothing to what is worth something; would you say that the tenant is entitled to the whole of the improved value?—No, of course not; in that case I should not say so.

21,867. Why?—Because he is quickly brought within reach, so to speak, of certain qualities of the soil which were previously out of reach.

21,868. The inherent capabilities of the soil?—Yes; what I object to is the moral effect those words have had. To my mind those words being included in the Act have been like, as it were, driving a very hard bargain, and they have had a repellent effect on the minds of tenant farmers generally. It is the moral effect on the minds of tenant farmers which those words have had to which I take objection chiefly.

Agricultural education: Dairying.

21,869. (*Mr. Gilmour.*) Has anything been done in your county or district in the direction of helping these dairy farmers to improve their butter making by the establishment of technical classes?—Yes, I am thankful to say that within recent years a great deal has begun to be done. We are doing it now on the county council. I am a member of the Staffordshire County Council—an alderman of that council in fact. We had a well qualified man, who has recently, I am sorry to say, gone to New Zealand under the Government there, going round the county giving lectures and demonstrations and having tuitional classes which have done an immense amount of good.

21,870. (*Sir Nigel Kingscote.*) Dairy classes?—In butter making but not in cheese making, we have not attempted the cheese making. Butter making lends itself with greater facility to tuitional work of that sort than cheese making does. But yet at the same time, pursuing that subject for a moment, even though the people do improve individually in the way they make their butter and produce a better article, still it does not realise its best value in the market, because each person makes a particular kind of butter and there is a great lack of uniformity.

21,871. (*Mr. Gilmour.*) Then, of course, your evidence would point to the fact that you must establish these creameries before you can improve the position in this respect?—It appears to me evident that the foreigners have gained their influence in our markets by those means, and if we are to regain our position we must adopt those means too.

21,872. Have you in this dairy work sent qualified teachers to reside on farms and practically to deal with the people and the appliances they have in their own farm-houses for the making of butter?—Yes, with regard to the butter it has been done sometimes in farm-houses, sometimes in the town halls of little market towns, where the

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public have been invited to attend and where demonstrations have been held, just with their own appliances? The appliances they have are good enough. It is the knowledge how to use them that is wanted.

21,873. Have you tried to do much in technical education in any other line of agriculture than in the dairy?—We have not done very much at present except a little in reference to using different kinds of artificial manures side by side on grass land to show the varying effects.

The Agricultural Holdings Act.

21,874. (*Mr. Clay.*) Referring to the Agricultural Holdings Act which you have given so much evidence upon, I understand you would like to see that Act simplified in its procedure?—Yes, simplified.

21,875. And operating at less expense?—Yes, the expense of putting it into operation is enormous in some cases, I believe.

21,876. You want to avoid the machinery of having so many arbitrators?—Yes.

21,877. And lawyers?—Yes.

21,878. You would like to see the Act worded in such a manner that in a sense those who run could read?—Yes.

21,879. And you would like to see the Act itself not overridden by any private arrangement unless that arrangement were fully in the spirit of the Act?—Fully in the spirit of the Act, and even then I should look askance at it, because it leaves a loophole, and in many cases that loophole would be taken advantage of to the detriment of the tenant I am afraid.

21,880. The Act just now says "fair and reasonable"—how would you strengthen that clause?—I do not carry in my mind the particular clause to which you make allusion; could you read the clause to me?

21,881. It is the clause which says that private arrangements must be fair and reasonable?—They must not contravene the spirit of the Act. But I think if you set off half-a-dozen men to interpret what the spirit of this Act is they would give you different answers.

21,882. How would you define an arrangement which should be equal to the Act itself?—With regard to what particular sort of improvement would that be?

21,883. The improvement that the Act allows?—I am afraid I do not quite gather the gist of your meaning.

Substituted agreements.

21,884. The second part of section 5 says: "Where in "the case of a tenancy under the contract of tenancy "beginning after the commencement of this Act, any "particular agreement in writing secures to the tenant for "any improvement mentioned in the third part of the "First Schedule hereto, and executed after the commence- "ment of this Act, fair and reasonable compensation "having regard to the circumstances existing at the time "of making such agreement"?—Do you mean what would I do in the place of that?

21,885. Yes, that is the question?—I would give a man the power to sell what was left of those improvements and let practical men bid for them, or buy them by private contract, or whatever it might be.

21,886. That would not meet the question of a private arrangement between landlord and tenant if they want to make a private agreement?—You mean it would not leave an opening for the landlord and tenant to come to an agreement about them?

21,887. Yes; if the landlord and tenant could not come to any agreement would not the law say that the arrangement which the landlord has made is not fair and reasonable?—It is extremely difficult of course to lay down anything wholly satisfactory in reference to land tenure, which is one of the most difficult questions in the world.

21,888. I want to avoid legal disputes as much as possible, and I can see that with this "fair and reasonable" there is a very open field for disputes in law. What I ask is, have you any improvement to make on those two words "fair and reasonable"?—A bargain would be a bargain. The tenant if he were leaving the farm would not be under the influence of the landlord as he would if he were remaining, and would therefore stand up for his own side all the better. Besides, no doubt he would have offers from other men who would wish to become his successors in case he had anything to dispose of.

Official referees.

21,889. Regarding the cheapening of the evidence to be got of the improvements several witnesses have suggested that an umpire should be appointed as official referee who should decide the matter under the Act, would you agree to that?—Would you please tell me in what way he would be appointed and by whom.

21,890. In Scotland he would be appointed by the sheriff; in each county there are one or two men set aside as experts whom you might call official referees?—I wanted to get to that. I should be strongly inclined in favour of capable men being appointed by the State, and paid by the county or by the State, as the case might be; that would be of course an after arrangement, to decide this question.

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21,891. Mr. Druce put it very well; he said a strong man in each county should be set aside for the purpose?—Or two men in big counties, or three, or even four sometimes.

21,892. But only one called in as required from the district the reference was to be made in, so that he would know the district of the county?—Yes, that is very essential, I think.

21,893. And paid by results?—I beg your pardon.

21,894. Paid by the work that he was doing; a fixed rate per day?—Yes, but that is not payment by results, that is payment by time. I thought by results you meant a per-centage on the award. An official referee is paid so much per day. He should be a capable man who knows the district. I think it is highly essential that any man presuming to value land or to value improvements, should have a personal knowledge of the land that he is dealing with.

21,895. Many men are paid by results, by per-centage, in dealing with the quantity of money put through their hands, and I do not know, if a man is awarding a thousand pounds for compensation, but what he should be paid more than if he was awarding a hundred pounds?—I do not think it would do to pay such men as these by results, because when they had little cases in hand they would be inclined to hurry them over, as being of so small importance.

21,896. Do you think it is advisable to pay them so much per day?—Yes.

21,897. (*Mr. Little.*) Is it not a fact that valuers are paid somewhat in proportion to the amount of the sum involved?—They may be in some cases.

21,898. Are you acquainted with Ryde's scales of valuer's fees?—No, I am not.

21,899. You do not know the practice at present?—I do not.

21,900. May I ask whether you would impose this official referee in all cases, or whether you would leave farmers and landowners to choose their own valuer, and only bring in the official referee as an umpire?—Of course each side would have his valuer, generally speaking.

21,901. (*Mr. Clay.*) There would be the witnesses?—The witnesses to give evidence. I think the evidence of those witnesses should be taken before this umpire, and then let him decide, and be paid so much per day.

21,902. (*Mr. Little.*) But you would have an official referee in all cases?—I think that would work well.

21,903. All cases under the Act, or all cases where crops or tillages passed from tenant to tenant without the intervention of the Agricultural Holdings Act at all?—In reference to some things no doubt the Act would be sufficiently definite to do without the services of this referee, but there would be many other cases where his services would be very useful.

21,904. I am taking the simple case where a tenant enters upon a farm, and there is no question of compensation under the Agricultural Holdings Act, but there are hay and straw and roots to be paid for; would you in such a case say that the official referee should be called in?—There is no question for the work of an umpire there, surely it is a mere question of simple valuation and measuring, that is upon the market value.

21,905. And ordinary valuers are competent for that?—Of course they are, or ought to be.

21,906. Then where in such a case you add a claim of about 20*l.* to a claim of some hundreds—20*l.* under the Agricultural Holdings Act—and all the valuers are able to agree, would you then call in the official referee to decide this simple question of 20*l.*?—That is introducing the thin end of the wedge; I should be very cautious indeed about doing that.

21,907. But is it not the case that there are hundreds of tenancies terminated where a large proportion of the sum to be paid to the out-going tenant is in respect of crops and tillages, and the compensation under the Agricultural Holdings Act is very small?—Yes, no doubt.

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21,908. What I want to know is whether you would in such cases compel the action of the official referee for a very small claim under the Act?—I think I would; I think I would establish the rule and let it work, and I believe it would be a good thing if it were understood that it must work.

21,909. (*Mr. Channing.*) That is consistent with your previous evidence that you wish the new Agricultural Holdings Act to cover all items?—It would include that; that would be laid down in the Act.

21,910. (*Mr. Clay.*) You have given a good deal of important evidence, and have been cross-examined upon it, about the old tenant renewing his lease?—I do not know anything about leases practically.

21,911. Renewing his yearly tenancy then?—Yes.

Increased rents and valuation of improvements.

21,912. But you have an opinion that he should not be rented upon his improvements?—There is no question of renewing his tenancy if it is a yearly tenancy, because he goes on from year to year, and there is nothing that can come in between him and the landlord except a termination of the tenancy; it is not a renewal in that case.

21,913. At the termination of the tenancy, of course, would come the compensation for improvements, if he was going out?—Yes.

21,914. With us in Scotland it would be the renewing of the lease?—Yes, of course, at the end of a given period.

21,915. Then you would like to see the tenant renewing his lease, not at the value of the farm, but at the value of the farm less the compensation for the improvements he has made?—No, I think you scarcely realise what I mean by that. There would be no question under a yearly tenancy of a renewal of the tenancy, because that would be simply a running tenancy liable to no interference, except that of termination.

21,916. Just now I am taking you upon a Scotch lease, which you know about, I presume?—I know of them, but I have had no practical acquaintance with them; I know what they mean and how they work.

21,917. Your principle that you went on was, that a tenant on taking a lease or a renewal of his tenancy should not be charged upon his improvements as rent, was it not?—Do you wish to take my mind up to Scotland now, and to leave England behind me?

21,918. Yes?—Very well. When at the end of the 21 years' lease in Scotland, for example, or a 19 years' lease, as the case may be, the landlord and tenant come to discuss the question of a new lease for another 19 years or 21 years, as the case may be, then there is a question of recompensing the tenant for the improvements which he has done to the farm during the lease which is just then coming to a conclusion; and I think the rent should not be increased at all in consequence of those improvements, but only in consequence of whatever natural increase of value in the land might have taken place.

"Limeing" land.

21,919. Through the market value rising?—Through the market value going up.

21,920. You were asked about lime; how long do you consider lime should rest upon the land as a general rule?—On grass land I believe that the effect of limeing in many cases will be seen for 30 or 40 years.

21,921. And on arable land?—On arable land it is not so easy to see, but it is still there for a very long time, though not so long a time. You can get rid of it on arable land faster than you can on grass land, but you cannot exhaust it on either.

21,922. It is not possible for you to name any practical limit, but your experience is that it does go in time?—On grass land.

21,923. On arable land?—I have had very little experience indeed, practical experience, in the liming of arable land; none to put me in a position which would entitle me to give an opinion on the point, I think.

"Boning" land.

21,924. You said you used bones. May I ask are they old-fashioned half-inch bones, or bone meal?—The old half-inch bones—raw bones.

21,925. And that is what you are meaning by resting so long on grass land?—Yes; I could show you on my own farm a grass field, part of which was boned by an uncle of mine who owned the place before me, and he died in the year 1847; I could show you any spring, just when the grass is beginning to grow, the difference between that land and the adjoining land which was not boned.

Law of distress.

21,926. I gather from your evidence that regarding the law of distraint you would like to see it abolished?—Yes, entirely abolished. I think it is a gross indignity on a very highly respectable class of men, namely the tenant farmers of this country; not only that, but it is an injustice to the tradesmen who deal with those tenants to give the landlord a preference over them for whatever a tenant may do.

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21,927. Is the general trader not a greater sufferer than the landlord?—The general trader in case of the insolvency of the tenant is a greater sufferer than the landlord can possibly be, because he can lose capital as well as interest, whereas the landlord only loses his interest, for the tenant cannot run away with the landlord's land.

21,928. Some people deny that the land is the capital of the landlord?—I am afraid that it is all the capital that a good many landlords have now.

21,929. It is the only capital that he has and the rent is the interest, is it not?—The rent is simply the interest on the capital; the land is the capital.

21,930. And the tradesman through the law of distress is risking both interest and capital?—If a man sells five tons of cake to a farmer he gives the farmer the control of the capital and of the profit, that is the interest for the time being, so long as it is owing for, and he may lose the whole lot.

Capital required for stocking farms.

21,931. (*Mr. Whitehead.*) In answer to a question by the Chairman as to the amount required to stock a farm in your district, I think you said it was from 7*l.* to 8*l.* per acre?—7*l.* to 10*l.*

21,932. Would that mean a dairy farm?—A mixed farm—a dairy and sheep farm.

21,933. Would that be about the average amount of capital?—I am afraid that a good many are under 7*l.* now. Of course it varies a good deal according to the price of stock. Last autumn a man might have stocked a farm for 2*l.* an acre less than he could at other times, or at a still greater advantage.

21,934. But from 7*l.* to 10*l.* is the average amount?—I should think it would be there or thereabouts.

Price of butter.

21,935. With regard to the low price of butter which you spoke of, 6*d.* a lb. I think in one district?—Yes, in the Ashbourne market it was selling at 6*d.*

21,936. That would be exceptionally low, would it not?—I fancy there was a bit of a glut or a reduced demand for the time being.

21,937. What would be the average price of butter in the district?—During how long a time?

21,938. Say for the last two years?—The average price probably would not be more than a shilling a lb. I think.

21,939. Would that in your opinion pay the producer?—If he has a cheap farm he will carry along at that price, but even then it would not pay him sufficiently for the trouble he has had.

21,940. Do you know at all what the average price of Danish butter has been in this country?—No.

21,941. I mean the price paid by the importer?—I cannot give you the figures as to that.

21,942. I have them here, in 1881–2, the price to the importer was 1*s.* 2½*d.* per lb.; in 1886–7 it had fallen to 11¼*d.*; in 1887–8 it was also 11¼*d.*; in 1888–9 it was 11½*d.*; in 1889–90 it was 11¾*d.*; and in 1890–91 it was 11½*d.*; so there is not very much difference between the price the importer pays for Danish butter and the price you say it would pay the producer in England to sell at?—I say if he has a tolerably cheap farm. I think the average price in my part of the country for butter during the past two years may be taken at 1*s.* or a little under; but for the previous three years I think 9*d.* would be quite up to the average.

21,943. Three years before the two last do you mean?—Three out of the last five.

21,944. Do you know at all what the average value generally of butter coming into this country has been?—No, I do not carry it in my mind. I frequently have occasion to read up those figures, but I do not remember them.

21,945. It might be interesting to state that in 1872 the average price of butter imported into this country was 5*l.* 5*s.* 11*d.* per cwt., and taking the last year given, 1891–92, the average price was 5*l.* 9*s.* 1*d.*, showing a certain increase in the value of imported butter?—Yes, in that period I believe the foreigners have improved the character of their butter.

21,946. I was going to ask you whether that would not be the reason for the increase?—It is a more uniform

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article now, not better in absolute quality perhaps, but a more uniform, saleable, desirable article than it was then.

21,947. Is that in your opinion due to the co-operative system applied to factories?—Yes, chiefly, and to increased skill in manipulation, which is chiefly owing to the association of farmers in factories.

Danish butter.

21,948. With regard to the Danish butter has uniformity of feeding anything to do with that, do you think?—No doubt it has something to do with it, especially in reference to colour.

21,949. I think in Denmark the cows are fed more uniformly than they are in this country?—Yes; and there is more care taken in winter time in the feeding.

21,950. Would it be possible in this country to get that uniformity?—I think it might. If the committee of management of any given butter factory were to stipulate that the farmers should use certain kinds of food in the winter for their dairy cows, it could be done. In Denmark that is done. Some of the committees of management stipulate that each farmer should use, say, 2 lbs. per day of rape cake to each dairy cow, and he must do it. The association provides the man with the cake and charges him with it; debits his milk account with it, and so on.

Co-operative factories.

21,951. That might be done by each committee of management of the co-operative society or factory, who would arrange food suitable for the district and the climate?—Yes, and I believe the farmers would fall into it, so soon as they saw the advantage of it.

21,952. How could co-operative factories be extended in your opinion—I do not mean by invoking Parliamentary aid, but by local effort?—In my part of the country several factories have been built by co-operation, the farmers themselves having provided the capital. In some other instances the landlord has provided the shell of the building, and the farmers have put in all the working plant, and so on.

21,953. Do you think the idea wants promulgating among farmers? Do they understand the advantages of the system, do you think?—They know about those factories, because they have been sufficiently described in the papers for many years past. A great deal depends of course upon having a leading man or two in given districts, who will initiate these things.

Marketing.

21,954. Besides want of uniformity in butter, has not the question of distribution something to do with the low prices that are obtained by English small producers?—Undoubtedly. There is a great fault in reference to distribution. The small farmers take their butter in baskets, or their wives do, to the local market towns, where the butter is bought by dealers who pass it on, perhaps, to some other dealer, who sells it to shops or to private consumers; whereas, if the butter were made in factories, the factories would pack off certain large parcels of it to a dealer in town, in London for instance, who would place it with the greatest ease and advantage amongst the retail people.

21,955. Is not the reason of the American butter and Danish butter getting a ready sale, that it is all consigned to large importers in this country, who distribute it at once to wholesale grocers, who in turn distribute it to retail grocers and other customers?—Yes, the thing works like clockwork. You can have a clockwork system where you have a large thing to deal with, but you cannot with small items like farmers' butter.

21,956. Therefore it is desirable to have co-operative factories as means of distribution as well as for the manufacture?—Undoubtedly. Take, for instance, the milk trade in connexion with cheese factories, or butter factories. I have a relation largely engaged in the milk trade who has a cheese factory. When there is a sudden glut in the milk trade, as will occur sometimes on sudden changes in the weather which affect the consumption, a wire is sent down "Keep back 20 or 30 churns to-day; we do not want it." That milk is instantly turned into either butter or cheese, and so there is no loss; whereas if there were no such arrangement and no cheese factory available for the purpose that milk would be sent up to London, perhaps go sour, and be thrown into the sewers and lost.

Railway rates.

21,957. Does not the question of insufficient means of distribution apply to a great deal of the produce of the farmers in this country?—No doubt it does, but it is a gigantic question; and then the question of railway rates is one which bears very heavily and adversely on farmers.

21,958. Is not the question of distribution one that ought to be tackled by somebody?—That would include the question of railway rates also.

21,959. Yes?—The question of distribution is one of the first importance, I think.

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21,960. In that respect the foreigner is in a very much better position than the home producer?—Simply because he can send out his stuff on a large scale. He can send out a uniform article in large quantities, and so it is worth the while of big men to get proper machinery and arrange to deal with these quantities, and to distribute them with the least friction and the least cost.

Price of labour.

21,961. (*Sir Nigel Kingscote.*) Has the higher price of labour in England, do you think, anything to do with the English farmers' want of profit?—I doubt whether that tells much; at all events in my part of the country it does not I think. I believe the effect of labour being a little higher paid than it used to be is that it is more efficient than it was. Then in arable districts the introduction of machinery has enabled farmers to do without a given proportion of labour which quite makes up, I think, for the difference in the cost of that labour which is still employed.

Consent of the landlord to improvements.

21,962. You have said a good deal about the tenant's improvements and in favour of his having the free sale of them; I rather want to gather from you what you call improvements—I mean beside the manurial value or the feeding stuffs brought on to the farm. Do you include buildings; would you allow the tenants to put up any buildings he liked without the landlord's consent?—Yes, I am inclined to give him that permission; I think he would not put up buildings that he did not want, and if he put up poor ones he would receive proportionately less for them if he left, because they would have less value left in them.

21,963. Suppose this case. A man takes a farm and he thinks he will breed a large number of horses and puts up a lot of wooden boxes, without asking the landlord's consent, on some of the grass land, when he goes away the landlord will not buy those boxes; how can the landlord be compensated for the loss of his grass?—The landlord would say: "Those boxes are of no earthly value to me "or to the incoming tenant, you can remove them if you "like, or you can leave them if you like, but you will "receive nothing from me for them, nor will the incoming "tenant pay you anything for them, but you have to pay "me something for the damage done to the land on which "they stand."

21,964. You would compensate the landlord?—Of course if damage is done he would be compensated. I would punish a man if he put up a lot of stupid buildings which were no good to the farm.

21,965. But you would allow him to do what he liked without the landlord's consent?—I think so.

21,966. Would you allow him to break up grass land and turn it into arable or to turn arable land into grass and as he liked?—No, I think I should draw the line at breaking up ancient pasture of good quality; but there is no inducement to do that now.

21,967. (*Mr. Channing.*) Surely you are not speaking of that as an improvement?—No, that is outside the question of improvements. I really do think that tenants who are inclined to injure a landlord's farm might in some cases break up long-established pastures which have taken a century to make what they are, and I think the law ought to prevent that. No punishment could be ample, when it was once done, and there ought to be some law to stop it and prevent it if it were attempted.

21,968. (*Sir Nigel Kingscote.*) And if the tenant chose to lay down some arable land to grass without the landlord's consent you would still think he ought to be compensated for it at the end of his tenancy?—If it is worth anything, if he has done it in a workman-like manner and used good seeds and there is a good sward, and so on, let him be paid.

Official referees.

21,969. Who is to be the arbitrator?—The man that Mr. Clay was suggesting—the paid official.

21,970. Is that not done now under the Agricultural Holdings Act?—We have no paid official as arbitrator; it is done by valuers and an umpire in some cases.

21,971. That umpire being agreed to by the two valuers the landlord's and the tenant's valuers?—Yes.

21,972. You want something beyond that?—I want something beyond that.

21,973. You want an official man?—Yes; a man who would have the Act at his fingers' end, who would be master of the Act in fact, and also a practical man at the same time. Now the bulk of the local valuers in the shires do not half understand the Act, and they go to a great extent on what they had been accustomed to before the Act was passed.

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21,974. Have you had any experience of valuers?—I have done some valueing.

21,975. Under the Act?—Yes, under the Act. I have taken out a license on two occasions—for one instance only—because I was requested to value on one side.

21,976. I do not want to say anything unpleasant, but you understand the Act, I conclude?—No, I do not pretend to understand it, I think I have a pretty good knowledge of it, but I do not pretend to be master of it.

Free sale of improvements.

21,977. (*Mr. Dalton.*) There is one question I do not quite understand about this sale of improvements. As I understand the man who buys the improvements is to be entitled to take the farm at the same rent as his predecessor?—Yes.

21,978. Would that not operate very injuriously to the out-going tenant when rents were falling—would he get a bid at all then?—True, but then in the practical work of life we have to take the rough with the smooth. That would be the rough. If he waited two or three years longer he might get the smooth instead.

21,979. At the present time when rents are falling it would operate very injuriously against the tenant?—Yes, and see the advantage of that—it would keep the tenant on his farm; he would say: "No, I will not go out now, I "can only do so at a great loss and I will stick on," wherewith the landlord of course would be mightily pleased.

21,980. I am not suggesting it would not be to the advantage of the landlord. What I am afraid of would be that in some of these cases if rents were falling rapidly and tenants were desirous of going out of the business you will be depriving them of anything whatever for their improvements because nobody would give anything for them?—I do not know; what can a man expect; I mean the market value of the thing.

21,981. It may be valuable to the incoming tenant and increase the value of the land; the outgoing tenant may have carried out scheduled improvements and yet under this arrangement he would get nothing whatever for them?—Neither would he under a valuation if things were becoming worse.

21,982. He would under the Agricultural Holdings Act although the rent might have fallen, yet if he has done something which has improved the farm and prevented the rent from falling further he does get the benefit there?—No one can expect Parliament to pass an Act which would give a man more than the current value of the thing.

21,983. The permanent improvements he has carried out we are supposing are possibly of considerable value, and yet although he is now entitled to be paid for them he might be quite aware of the fact if he is paying a high rent upon it that the tenant who is going to succeed him will have to pay a lower rent; if he were forced to put up his improvements for sale instead of being paid by the landlord for them he would be sure to get nothing for them; would not that be the case?—I believe the Act would not give him very much if a sale would not.

21,984. The Act gives it him irrespective of the question whether the landlord will get a lower or a higher rent than the present one; it assumes that he has done work on his farm which may make it worth a higher rent than it otherwise would command to an incoming tenant, but it does not assume that the rent will go up above what it is now; his compensation for his improvements does not depend upon the fact that the landlord will get a higher rent for the land than he is getting now?—I am not aware that there is any system of compensation under this Act which would give a man more than the current market value of improvements.

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21,985. No, but by saying that the man who buys it from him is to take the farm at the same rent that is being paid for it now you mix up the two things to the damage of the out-going tenant at the present time when rents are falling, but it would be to his advantage when the rents are rising; as they have been falling for many years you would be seriously injuring him at the present moment?—Yes, but then he would have the chance of staying on.

Consent of the landlord to improvements.

21,986. (*Mr. Gilmour.*) Sir Nigel Kingscote put to you the case of a landlord who objected to pay for the horses boxes which a tenant had put up, but claimed for the grass. Did I correctly understand you to say that the landlord would be entitled to say that he would pay nothing for those boxes?—Yes. He would say, They are of no use to me; you can remove them if you like, but you must make good the land on which they stand.

21,987. He would not be the deciding man on that point?—No, he would not of course; that would come before the arbitrator too, but that would be the landlord's position.

21,988. (*Mr. Channing.*) On that same point you are no doubt aware that the Scottish Chamber of Agriculture and my own Bill suggest that in the case of improvements of the nature to which Sir Nigel Kingscote has referred, the tenant should give notice of his intention to carry out certain improvements, and that then the landlord can claim a reference under the Act as to whether it is an improvement in the sense in which the holding is let?—True.

21,989. Would you not approve of that procedure?—Yes, I would.

21,990. That would give power to the landlord to check the tenant carrying out an unreasonable improvement?—True.

21,991. And at the same time it would enable the tenant to obtain compensation for a reasonable improvement?—Yes. Putting up a lot of boxes as Sir Nigel Kingscote suggested for horse breeding which the succeeding man would not require at all, would be altogether a special and extraordinary sort of thing, and therefore I think it would be only fair and reasonable that before doing such a thing he should get the consent of the landlord.

21,992. He should give notice?—He should give notice and get the consent. Failing that let him do it at his own risk.

21,993. (*Sir Nigel Kingscote.*) I thought you laid down the general proposition that the tenant could do what he liked without the consent of the landlord?—Yes, and I would still lay that down, but at the same time I should not object to an arrangement like the one which is now mentioned.

The witness withdrew.

Adjourned to to-morrow at 12 o'clock.

Forty-first Day.

Friday, 1st June 1894.

PRESENT:

THE RIGHT HON. GEORGE JOHN SHAW-LEFEVRE, M.P., IN THE CHAIR.

The Right Hon. Baron RENDEL.
The Right Hon. HENRY CHAPLIN, M.P.
Sir ROBERT NIGEL FITZHARDINGE KINGSCOTE, K.C.B.
ROBERT GIFFEN, Esq., C.B.
CHARLES ISAAC ELTON, Esq., Q.C.
Captain OWEN THOMAS.
FRANCIS ALLSTON CHANNING, Esq., M.P.
JOHN CLAY, Esq.
CORNELIUS NEALE DALTON, Esq., C.B.
ROBERT LACEY EVERETT, Esq., M.P.
JOHN GILMOUR, Esq.
GEORGE LAMBERT, Esq., M.P.
WILLIAM CUTLACK LITTLE, Esq.
CHARLES WHITEHEAD, Esq., F.L.S.

HERBERT LYON, Esq., *Secretary*.
R. F. CRAWFORD, Esq., FREEMAN THOMAS, Esq., } *Assistant Secretaries*.

Mr. G. Cooke. — 1 June 1894.

Mr. GEORGE COOKE called and examined.

21,994. (*Chairman.*) I understand that you are a tenant farmer residing at Clayley Hall, Chester, farming 278 acres?—Yes.

21,995. Whom do you hold under?—Mr. Sandbach, Cherry Hall, Malpas.

Description of farms.

21,996. What is the nature of the farm; is it a grass farm?—It is a mixed farm.

21,997. Mainly for dairying?—Principally dairying.

21,998. Is that the general character of the farms in the neighbourhood?—Yes.

21,999. What proportion of it is arable?—About 80 to 100 acres of mine, more or less—it varies.

22,000. What rent do you pay for it?—500*l.* now. Last year it was reduced.

22,001. What was it?—550*l.*

Reduction of rents.

22,002. Has there been a general reduction of rents in the neighbourhood?—Only on this estate; it has not been general elsewhere, I think.

22,003. Is it a large property?—No, it is only four good-sized farms, about 1,000 acres in all.

22,004. Were they all reduced in the same proportion—that is about 10 per cent.?—Yes, I think about the same; it would be rather more than 10 per cent. though, because previously we paid the tithe, and the tithe is now included in the rent.

Tithe.

22,005. The landlord pays the tithe now?—He pays the tithe now.

22,006. What does the tithe amount to per acre?—I daresay about half-a-crown now; it used to be 3*s.* 6*d.*; of course it is very much lower.

The letting of farms.

22,007. Are there any farms vacant in your district?—No.

22,008. When farms are vacant are there applicants for them?—Yes, there is a great deal of competition.

22,009. Are there men with capital ready to take them?—Generally. There are some with capital; many of the applicants of course I do not think have capital, but still there are always some.

22,010. It is not difficult for a landlord to find a man with capital to take the farms?—Not at all.

22,011. Is that the case generally through Cheshire?—I I think it is generally through Chesbire, it is certainly the case in our neighbourhood.

Depression in Cheshire.

22,012. Then that district has not felt the depression so much as others have?—Perhaps not so much as others; but still it has felt it very much.

Fall in prices.

22,013. What has the depression shown itself in mainly?—Of course in the reduction in prices. Milk and all dairy produce is lower, and corn, potatoes, and cattle are very much lower. Perhaps the principal item is the turn-off cattle.

22,014. When did that begin to fall?—It has been gradually coming down now for six or seven years I should think, but it has been more marked during the last three years.

22,015. Has the price of cows fallen?—Turn-off cows, that is, cows that are being sold to the butcher after having been milked, are very much reduced in price.

22,016. Are cows in milk about the same?—The ordinary dairy cattle are reduced, but not so much as the others.

Bad seasons.

22,017. I suppose your district did not feel the effect of the drought last year?—Yes, it did very much.

22,018. I thought it did not extend to there?—Yes; farther north they did not feel it so much, but we felt it very much.

22,019. Apart from that have the seasons been fairly good of late or no?—No; last year the season was dry, the year before it was very wet; we suffered very much from the wet the previous year.

The Federation of Farmers' Clubs.

22,020. Do you come here as the representative of the Farmers' Association?—As the representative of the Federation of Farmers' Clubs.

22,021. How many of the Cheshire farmers are there belonging to that association?—I could not tell you; there are three or four different associations, but I do not know how many members they have in them.

22,022. You cannot give us an idea of what proportion, what number, of the farmers belong to that Federation?—I do not think I could, but I should think about 700 perhaps.

22,023. (*Mr. Channing.*) Does it include the Chester Farmer's Club?—Yes; that is the largest of them.

22,024. (*Chairman.*) Do you mean 700 from Cheshire only?—Yes, from Cheshire only.

22,025. Have the subjects of land tenure and of the Agriculture Holdings Act been much discussed in that Federation?—Yes, the subject of land tenure has been discussed for the last two years.

22,026. I see there are about 6,200 farmers in Cheshire; you think about 700 of them belong to these associations that you speak of?—Yes I should think so, but I could not say for certain.

22,027. Have you passed any resolution on the subject of the security of tenure?—Yes, resolutions were passed, I think, two years ago on that subject, and recently too.

22,028. What were the terms of the resolutions?—I have not got the exact terms of them, but they were asking for the security of tenure, freedom of cultivation, and compensation for improvements.

Security of tenure.

22,029. What is your own opinion on the subject of security of tenure?—It is that at present it is very unsatisfactory; the effect of insecurity prevents people from making the best of their land.

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22,030. What is the nature of your own tenure, is it a yearly tenancy?—It is a yearly tenancy.

22,031. Is that the general rule of the country?—Yes.

Leases.

22,032. Are the landlords against giving leases or are the tenants unwilling to take them?—I do not think that they are generally asked for, and I do not think that many of the landlords would care to give them either.

22,033. Used it to be the custom for the landlords to give leases or not?—It is not the custom now.

22,034. Was it so formerly?—I think not.

22,035. Has it always been the habit of having yearly tenancies?—As a rule.

Lord Tollemache's leases.

22,036. You say that the tenants do not ask for leases?—I think not now. There is one estate of Lord Tollemache's where leases are general, and they are very satisfactory there. Of course that is rather a special lease.

22,037. What is the nature of that lease?—It is a lease for 19 years renewable by the tenant at the end and terminable by the tenant at any time during the 19 years.

22,038. (*Mr. Channing.*) At any time?—At any time.

22,039. (*Mr. Everett.*) Binding on the landlord but not on the tenant?—Yes.

22,040. (*Mr. Channing.*) Terminable at a year's notice?—Yes.

22,041. (*Chairman.*) But that example has not been followed by other landlords in your district?—No, it has not.

22,042. (*Sir Nigel Kingscote.*) It applies chiefly to dairy farms, does it not?—They are mixed farms.

Security of tenure.

22,043. (*Chairman.*) Do you consider that the insecurity of the holding is such that there is not a sufficient inducement to the tenant to farm well?—Yes.

22,044. Have you found a difficult yourself in that way in laying out money upon your farms?—For myself I am perfectly satisfied as long as my landlord should live; but there is always this danger that something might happen and then one cannot tell what will be done in the case of his successors. I have perfect confidence in my own landlord, but I have seen cases where the landlord having died a great change has been made in that respect.

22,045. Should you say it is often the case, or generally the case, that many farmers are satisfied with their existing landlords, but are afraid of any change?—I cannot say that it is general exactly, but still a good many are, I have no doubt.

22,046. Others are afraid of the existing system?—Some are afraid of the existing owners. Of course there is this difficulty; that if they farm highly, and keep their land up in cultivation with the times, as they are doing, growing worse, and things being depressed, they are not in the same position to secure an abatement in their rent because their having improved their farms has kept the value of the farms up. They have met the times by keeping up the value of the farms.

Capricious evictions.

22,047. Have there been political difficulties or religious difficulties between landlord and tenant in your district?—Yes.

22,048. Do you consider that the tenants have been evicted on account of political difficulties?—Yes, we have no doubt about it in our own minds.

22,049. Have there been many cases, or only here and there a case?—Not very many.

22,050. Is that the case within the last few years?—Yes, it is; there have been others previously, but not to say anything then. It is just during the last two or three years especially.

22,051. The last two or three years?—More so the last year than any perhaps.

22,052. (*Mr. Channing.*) Do you refer to this in order to show that the tenant ought to have greater fixity of tenure, greater security?—Yes, that is just my point. By giving offence and having to leave he has to sacrifice so much of his improvements, if he has been farming as he ought to do, and improving his land.

Ground game.

22,053. (*Chairman.*) Then with regard to the Ground Game Act, do you consider that that is no protection to the tenant unless he has greater security of tenure?—Not without security of tenure, because although the tenant has a right under the Ground Game Act to kill hares and rabbits, yet he knows that if he did so he would get notice to quit in some cases.

22,054. What has been your own experience?—I have no complaint on any ground myself.

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22,055. But you know cases where the tenant is unable to protect himself under the Act?—Yes; where it is in the agreements now that hares and rabbits specially mentioned are reserved.

22,056. Have those agreements been made since the passing of the Act?—Yes; "any Act of Parliament notwithstanding," are the words used.

22,057. Can you give us a sample of an agreement of that kind?—Yes.

22,058. What is the form of the proviso?—"All game "is reserved, including hares and rabbits, any Act of "Parliament notwithstanding." I believe those are the exact words.

22,059. (*Mr. Channing.*) Have you the exact words there?—I am only speaking from memory; I have not them in print.

Security of tenure.

22,060. (*Chairman.*) Do you consider that ordinary leases would not meet the case of insecurity?—No.

22,061. Why is that?—I may say that in such a case as this, I do not think the party would give the lease where this ground game difficulty is in existence.

22,062. But in other cases, I am referring more generally to the want of security?—No, I do not think they would meet the case, because, at the end of the lease, they are subject to a revision of rent, and about four or five years before the end of the lease the tenant feels it necessary to curtail expenditure; he ceases improving as he has done previously, in order that he may be in a better position to deal with his landlord at the end; and therefore the improvements are not going on for four of five years before the end. I have a case in my mind, within a mile of me now, where that is just the state of things.

22,063. In that case was there a lease?—It is a lease of 14 years; it is five years off the end, and the tenant has practically stopped spending money on it till he makes new terms.

22,064. Might not that difficulty be met by renewing the lease before the conclusion of the term?—That is done in some cases, but in this case the landlord is indisposed to go into the question at all until the time is up.

22,065. Then the landlord is not disposed to continue the tenant?—Yes, I think he wishes to do so, but he will not do it until the time is up.

22,066. He will not enter into negotiations until the termination of the lease?—Yes. Perhaps, just now, he may be waiting, hoping things will be better by then; I do not know what is his reason.

22,067. I suppose he thinks the present is rather a bad time for entering into a long lease?—It may be so. I do not think the tenant would renew it as a lease at all now.

22,068. The tenant would not take a lease?—I do not think he would now, as things have been going.

Restrictions in agreements.

22,069. Then with regard to freedom of cultivation, what is your opinion?—It is this; that through the restrictions which are inserted in many agreements, farmers are unable to make the best of their land. They are so tied as to the land which shall be ploughed, and the course of cropping, and what they shall do with their produce, that in many cases they cannot farm to the best advantage.

22,070. Are there many cases in your district of restrictive covenants which too closely bind the tenant farmers?—They are very general in the agreements, but they are not generally insisted on.

22,071. In fact the practice is not quite so bad as the form of the agreement?—No, but the clauses are there in case of the conclusion of the tenancy, and then these clauses are brought to bear, as they have been now in two or three cases. The case of Mr. Parker was before you. These restrictive agreements have been put in operation then when they have had to leave their farms.

22,072. What is the nature of the restrictions?—I have a lease here which contains these words, "And also yield-"ing and paying the further yearly Rent of Twenty "Pounds for every statute acre of the said demised Pre-"mises, which the said Lessee, his Executors or Admini-"strators shall plough or convert into Tillage, in any one "year more than one fifth part of the whole of the said "demised Premises, summer work and Potato ground "included, and so in proportion for any less quantity than "an acre. And also the further yearly Rent of Twenty "Pounds for every statute acre of the said demised pre-"mises which the said Lessee, his Executors or Admini-"strators, shall in any one year during this demise set

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"Potatoes more than one statute acre, and so in proportion for a greater or less quantity. And also the further yearly Rent of Five Pounds for every cwt. of Hay, thrave of Straw, load of Potatoes, or cart load of Manure, or load of Sand, or Marl that shall be sold or taken from the said demised Premises during this demise, or during his occupation of any part thereof."

22,073. Is that an old form of agreement or do you think it is one of recent time?—I believe it is in existence now, and in force on the estate.

22,074. I thought you said the practice was not quite so bad as the agreement in most cases?—Not the general practice, but it is when the tenant comes to leave from any cause that these agreements come into operation so harshly.

22,075. I want to know whether these agreements are of an old type or whether they have been entered into of late years?—I believe they have been entered into of late years; of course they are on the old pattern.

22,076. (*Mr. Little.*) When you say the conditions are enforced on quitting do you mean that that fine is actually imposed, or that a claim is made?—The claim is made.

22,077. Did you ever hear of a case where the fine was enforced?—If it has not been enforced it has been put as a set off against something else.

22,078. That is enforcing it, is it not?—It is much the same.

22,079. Do you know whether any sum approaching those penal sums has been awarded to the landlord as damage?—I cannot say yet where it has been awarded.

22,080. What I want to get at is whether an arbitrator when a claim of this kind has been put before him has awarded on the principle of a penal rent or on the principle of the actual damage to the estate?—There is no doubt that those clauses have been on consideration as against something else.

22,081. (*Chairman.*) Have you known any case where a tenant has left his farm and where there have been claims and counterclaims where the arbitrator has awarded these penal damages as against the out-going tenant?—Yes, they have been treated as a set off against the outgoing tenant's claim. I do not know of any case where the tenant has had to pay the money, but where the tenant has had a claim then these claims of the landlord have been taken into consideration as against the tenant's claim.

22,082. Do you think it has been taken advantage of to the extent of charging the penal amount provided in the agreement?—I do not think it has to the full extent.

22,083. (*Mr. Channing.*) Your objection is that these clauses are used as a threat against a tenant to prevent his making fair claims for improvements, I suppose?—Yes, that is the point.

22,084. (*Chairman.*) Then with regard to the free sale of improvements, what is your view upon that question?—There is another point I should like to read from this agreement if you would allow me do so before going from it.

22,085. Yes, do?—The agreement goes on to say: "And also will and shall in the last year of this demise have and leave all the hay and straw in that year growing upon or arising from the said demised premises, which shall not be consumed by the cattle of the said lessee, his executors or administrators, in the usual place, safely secured from the weather and in good condition, and at convenient times for the use of the said lessor, his heirs or assigns, or his or their incoming tenant without any allowance or compensation for the same." A clause like that acts to prevent the tenant from producing what he might do in the last year of his tenancy. Then there is a clause with reference to obtaining the money, "Not only to satisfy and pay himself and themselves such rent and rents, sum and sums of money as shall be due and distrained for, together with the costs and expenses thereby sustained, but also to raise by means of such distress and distresses and retain in his or their hands, so much more money as shall be sufficient to satisfy the growing and increasing rent and rents, sum and sums of money that will accrue and become due during the year ending next after such distress made or such part thereof as the whole effects liable to distress will produce or amount to on sale thereof, any law usage or custom to the contrary thereof in any wise notwithstanding." It is for the year in advance—the distress for those things.

22,086. On what estate is this?—This is on the estate of Robert Howard, Broughton Hall.

22,087. (*Mr. Whitehead.*) Is it a large estate?—It is a fair sized estate. *Mr. G. Cooke.*

22,088. About what acreage?—I should think about 2,000 acres. 1 June 94.

22,089. (*Chairman.*) Now go on to the question of the improvements; do you consider that there should be conceded to a tenant the free sale of his improvements?—Yes. Free sale of improvements.

22,090. Do you consider that the Act of 1883 fails in its purpose?—Yes. It quite fails in giving a tenant compensation for the full value of his improvements. The basis of that altogether of course is according to the outlay. One tenant may judiciously spend money and make greater improvements, than another by a large expenditure will effect. A man may spend a great deal and yet it may have but very little good effect on the farm. We think neither the landlord nor the incoming tenant ought to be called upon to pay for what has been foolishly spent; but where a man by a small expenditure and by skill and care has effected a greater improvement he should be compensated accordingly.

22,091. In view of these various difficulties which you have suggested you have come to the conclusion yourself, I think, that it is expedient that land courts should be established for settling differences between landlords and tenants?—Yes. Land courts.

22,092. Do you think they should decide questions of rent?—Decidedly in cases where a landlord and tenant cannot agree.

22,093. Where they cannot agree?—Yes, but not as a general thing.

22,094. And also the question of the term for which the land is taken?—Yes, in cases where there are disagreements again.

22,095. Would you concede to the tenants perpetuity of tenure?—Yes, as long as the proper conditions were conformed to—as long as the tenant farmed his land well, paid his rent, and was of decent moral character.

22,096. Subject to the payment of rent and proper farming you consider that a tenant should not be evicted?—Yes.

22,097. Is the tenant himself to be allowed to give up the farm?—Yes.

22,098. The tenant is to be allowed to give up the farm, but the landlord is not to be allowed to get rid of the tenant?—Not without good cause.

22,099. Your proposal would practically secure to the tenant the opportunity of going away, but would not secure to the landlord the tenant?—No.

22,100. Then the land court would determine the value of the improvements where the land is taken over by the landlord?—Yes.

22,101. That is to say when the tenant gives up?—When the tenant is giving up and the landlord is taking the improvements himself with a view of re-letting them or taking them into his own hands, the land court will be brought in, provided the landlord and tenant do not agree themselves. Of course I think that in most cases the landlords and tenants would agree, and that the land courts would simply be a last resort.

22,102. But the case of the landlord taking up the land would be comparatively rare, because I understand you propose that the tenant should have a right of free sale, and, therefore, the transaction would be as a general rule between the outgoing tenant and some incoming tenant to whom he sold his interest, is that so?—Yes, I think in quite as many cases the landlord would take them himself just as he does now—I think the landlord would pay for the improvements.

22,103. If you give a right of free sale to the tenant, and if in a district such as yours there is a competition for farms, then the probability is that the tenant would in most cases, if not in all cases, sell the interest to some other tenant?—Yes, he would in most cases.

22,104. Therefore the question would not arise so much between the landlord and tenant as between the incoming tenant and the outgoing tenant?—Perhaps not so frequently. Of course in the case of an outgoing tenant and an incoming tenant as a rule they would agree, and then the land court would not be needed when they agree.

22,105. For how long a period do you consider that the rent should be determined by this land court?—I think they ought not to appeal against it within five years

22,106. Every five years you think there should be an examination of the rent?—If either party required it.

22,107. Then the same court you consider should determine what reasonable restrictions should be imposed by a landlord to prevent pasture being ploughed and so forth?—Yes, there are many cases in which tenants are precluded from ploughing land which would yield very much better crops, and the land would be very much improved by being ploughed. In our neighbourhood a great deal of land does not do well if left in permanent pasture; it is better after a few years for it to be broken up for a course of crops and then laid down again.

22,108. I suppose you consider that there should be some limitation upon the breaking up of pasture?—I do not think that a tenant should be allowed to break it up in cases where it would be objectionable to the landlord—for instance being near to his house or something of that sort.

22,109. Apart from that do you think there should be any restriction upon the right of breaking up pasture?—As to the total quantity?

22,110. Yes?—Yes. I do not think that the tenant should be allowed to break it all up by any means; and I do not think he would want to do so.

22,111. But the question you think should be relegated to a land court?—In cases were the landlord and tenant do not agree upon the matter. I have a case just now in mind of a tenant who has laid down a considerable quantity of land to grass and it is doing fairly well. He wants to plough up some old pasture which is not doing well at all and could in no way be objectionable, yet he cannot get consent, and yet according to his agreement he may break up all that is newly laid down, and he would be willing to leave that down—perhaps 30 acres—if he could break up 10 other acres.

22,112. Besides the determination of the rent for specific periods, say five years, do you think this land court in bad times should have the power of awarding a temporary abatement of rent to meet a time of depression?—They should have power to reduce the rent.

22,113. That is one of the functions which you consider the court should perform?—I do not just exactly understand what you mean by a temporary abatement.

22,114. An abatement for the year on account of a bad season?—I think that would scarcely be a matter for the court.

22,115. I am only taking it from the *précis* of your evidence before me. I only want to know what is your view upon the matter. Do you think that in the event of a bad season the land court should be able to award an abatement of rent?—No, I do not think so; not for a temporary purpose.

22,116. You do not think so?—No; any temporary abatement, I think, is a matter for the landlord entirely.

22,117. Then the rent being fixed for five years you consider that rent should be paid whatever the seasons may be?—Yes, I think it should be such a rent that the tenant can afford to stand a bad season, for he is nearly sure to get one in that time.

22,118. Do you consider that this land court should keep a record of the improvements by tenants?—Yes, I think that in case of any large improvements, or improvements of any importance there should be a record kept, and of the state of the farm when the tenant went in, so that they would know how to award compensation in the event of his leaving; they would know to what extent the improvement in the farm was due to him and to what he had done.

22,119. Do you consider that the court should also have power to enable tenants to make permanent improvements where the landlords refuse to make them?—Yes, there are many cases where tenants suffer from want of accommodation, and the landlords in some cases do not do the improvements, perhaps they are unwilling in some cases because they are unable; at any rate the improvements are not done, and the tenant cannot do justice by his land, and he cannot make the best of it for want of accommodation. I think that if the improvements would be of use to the farm and an advantage to it, and the tenant is willing to do them, the court should have power to enable him to do them, with a guarantee that he would be paid for them in the event of his leaving.

22,120. In your opinion, should the landlord have power to appeal to this court to remove tenants who are farming their land badly?—Yes, certainly.

22,121. Then it would practically be a court to take upon itself all the functions that are performed by the landlord, or nearly all?—Yes, in the event of disagreement. Of course I am always hopeful in that way that the court would have the effect that not so many of these cases would come before it.

22,122. The practical effect would be to give to the tenant a perpetuity of tenure?—Yes.

22,123. Subject only to revision of rent by this land court?—Yes.

22,124. Has the scheme been before your association?—Yes.

22,125. In its full details that you have given to us?—Perhaps not just in the detail, but still the scheme has practically been laid before them.

22,126. What has the association determined; how far does it approve of your scheme?—Do you mean by the scheme the Bill that has been introduced by Mr. William Smith?

22,127. You have given us the details of the scheme; what I want to know is how far that scheme, such as it is, has been before your association and approved in detail?—It has been discussed by the delegates to the association. Each affiliated club or association sends one delegate for each 50 members and those delegates have discussed it, and it is on the lines that they agreed upon that the Bill has actually been drawn.

22,128. Then it has been approved of by the delegates?—Yes.

22,129. Has it been laid before the association itself—the body of the members of the association?—I do not know that it has before all of them.

22,130. (*Mr. Channing.*) It has been approved, has it not, by large meetings in Chester and elsewhere?—It has been approved by large meetings.

22,131. Was it a meeting of the association, or what?—It was a meeting of the association with others invited. For instance, the last meeting was held at Wigan, and the delegates were there, and then other farmers from the district were invited to the meeting as well. Resolutions were proposed and addresses given on the subject, and then a resolution put to the meeting in favour of it and carried.

22,132. (*Mr. Chaplin.*) Do you say others in addition to farmers?—Not in addition to farmers.

Improvements by landlords.

22,133. They were meetings purely of farmers?—Purely of farmers.

22,134. (*Chairman.*) Do you consider that in a scheme of this kind the landlords would still retain inducements to spend money upon the land?—I think so. Take my own case, I do not think it would make any difference at all. The idea is this: that in the case of bad landlords it would, of course, have an effect, but in the case of good landlords it would never come into operation or have any effect at all.

22,135. The landlord would feel that he had ceased to have any real property in the land other than that on receiving the rent; he could not get rid of the tenant, he could not resume possession of it?—He could get rid of the tenant if the tenant was not doing his duty, and he ought not to want to get rid of him otherwise.

22,136. If he wants the land for his own purpose ——?—He can take it under the Bill if he wants it for his own purpose.

22,137. If he wishes to farm it himself?—If he wishes to farm it himself he can take it into his own hands or for any member of his family.

22,138. Have the tenant farmers in your district effected permanent improvements themselves or no?—Some of them have, but not to a very large extent.

22,139. Have they drained the land at all?—Many of them have put the pipes in; they have done the labour and the landlord has found the pipes.

22,140. They have not undertaken the whole expense?—Not in many cases; they have in some, few but not many.

22,141. (*Sir Nigel Kingscote.*) Is this Association that you come here to represent the same as Mr. Thomas Parker came here to represent?—Yes, he is a member of it.

22,142. A prominent member?—Yes; he is not on the committee.

22,143. If it is the same association I have not another question to ask you?—He is not on the committee, but

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still he is a member of it. He is one of the delegates from the Chester Farmers' Club to the Association, but not on the committee of the Association.

Size of farms.

22,144. (*Chairman.*) What is the average size of farms in your district?—300 acres is considered a large farm; they vary from 80 acres up to 300.

22,145. What is the smallest sized farm which a man can make a living on in your district?—There are some as small as 50 acres, I think.

22,146. As a general rule is it 100?—About 100 and upwards.

Labour.

22,147. Take a man with a farm of 100 acres. What labour does he employ?—There is not so much labour upon the land now as there used to be, and as there ought to be. Farmers have curtailed expenditure in the way of labour in order to meet the times to a great extent.

22,148. What amount of labour does a man farming 100 acres employ?—He would have besides himself perhaps two or three others—one man and two youths very likely.

22,149. I suppose these small farmers work themselves?—Yes.

Restrictions in agreements.

22,150. (*Mr. Whitehead.*) I think you said that in some of the agreements tenants are restricted from planting more than half an acre of potatoes?—Yes; an acre I think it is in the agreement I quoted.

22,151. Does that restriction extend generally in your district?—No, I do not think it is general, no, it is not general.

22,152. Does it apply to the estate you were speaking of just now—the Broughton estate?—Yes, the agreement I read is the agreement upon that estate.

22,153. Did you say it was in practice?—I could not say; I do not think it is enforced as long as the tenants are stopping on their farms.

22,154. It would be brought against them if they happened to go?—Many of the points were in a case where a tenant did leave a few years back.

22,155. What is the object of the restriction?—I suppose there must be a fear of the tenant impoverishing the land. I cannot understand any other reason for it. It seems a very foolish restriction.

22,156. Do you not think it is desirable that there should be restrictions against breaking up old pasture land?—Not generally.

22,157. Not in a pasture country like Cheshire?—Even in Cheshire, I think, as I said just now, in many cases it is a great improvement to the land to break it up for a course of crops.

22,158. That is contrary to the usual idea, is it not?—No, I do not think it is—not in Cheshire.

22,159. Not if the land has been treated well?—Even if it has been treated well the grass is liable to get rough and coarse.

Capricious evictions.

22,160. (*Mr. Clay.*) I did not hear what you said regarding tenants having had notice to quit through their religious and political opinions—can you state any case?—There is the case of Mr. Parker who has been here as a witness.

22,161. (*Chairman.*) Are you of opinion that tenants in your district have been occasionally evicted on account of their religious or political opinions?—Yes.

22,162. Are you prepared to give the facts of two other cases where men have been evicted for religious reasons?—One for religious reasons, and one for semi-political reasons—advocating farmers' matters.

22,163. Are those the same two cases that have been referred to by Mr. William Smith in his evidence?—I do not know what he did refer to; I have not seen his evidence.

22,164. Mr. William Smith represents your association, I think?—Yes.

22,165. In his evidence before us he said he knew of two cases?—I think his cases were in Lancashire.

22,166. You are prepared to give evidence upon those two cases you have alluded to?—Yes.

Ground game.

22,167. (*Mr. Clay.*) Regarding the Ground Game Act, have you known tenants getting notice to quit because they intended to carry out the Ground Game Act?—Yes.

22,168. What is the remedy that you propose to meet that?—Security of tenure.

Land courts.

22,169. Through a land court?—Yes, if you like to put it in that way.

22,170. Which way would you put it?—If you give security of tenure I cannot see that the land court exactly comes in in that case.

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22,171. Is the land court not to be the tribunal where all these disputes between landlord and tenant are to be referred?—Yes; it comes in in that way.

22,172. How would you appoint the members of the land court?—The suggestion that is made in the Bill is that they should be appointed by the County Council—that the County Council should select a number of names, half representing the land owners and half representing the tenant farmers, and that one of each should be called in with the county court judge as chairman or umpire.

22,173. And to it you would refer all disputes of rent and matters of the Ground Game Act, but you would not put the political element into it would you?—All cases of capricious evictions.

22,174. You would refer all to the land court?—Yes.

Restrictions in agreements.

22,175. Regarding the ploughing up of old grass, do you think it would be prudent to allow the tenant to deal with old grass as he thinks best for his own advantage?—As a rule.

22,176. Do you not think the landlord has something to say in that matter?—In some cases he may, in some districts it all depends upon the land.

22,177. As a rule just now when arable land is paying badly, is it not an advantage to have more grass?—Yes, it is as long as the grass land is doing well, but in cases where pasture gets rough and stock will not eat it, well then it is of advantage to plough it for a course of crops and lay it down again.

22,178. Have you found landlords unreasonable when you put it fairly before them?—Yes.

22,179. They would not allow a farm of that kind to be ploughed up in order to improve it?—Strictly prohibited it.

22,180. Is that in Cheshire?—Yes.

22,181. Does a tenant sometimes not go to plough up old grass for the personal advantage of getting a few extra crops off it in order to realise more money?—He may do so in some cases, but I do not think that is the rule.

22,182. You know old grass is not so easily made if it is once ploughed up?—It takes root in Cheshire pretty well.

22,183. How many years does it take to make old grass in Cheshire?—We get good pastures in three or four years; in fact, even the first and second year we get them so much earlier that I question whether they are not quite as good.

22,184. So you yourself do not see any disadvantage in tenants ploughing up old grass?—No.

22,185. From the tenant's point of view?—Not from the tenant's point of view nor from the landlord's either.

22,186. (*Mr. Little.*) You say this form of agreement is still enforced upon the Broughton Estate?—I believe so. I have a letter in my pocket from a man close to, saying he believes it to be so still; I wrote and asked him.

22,187. Do you happen to know whether a tenant when he enters pays for the hay and straw; the tenant going out is not to be paid anything for the hay and straw left upon the farm, does the incoming tenant pay anything for them?—When he comes in?

22,188. Yes?—Not in a case like that.

22,189. Then if the tenant at his entry has not to put down the capital sum for hay and straw, if he leaves hay and straw at the end of the tenancy he is not injured if he only leaves the same quantity?—If he leaves the same quantity, but in many cases it is not so.

22,190. But the principle, I suppose, is that he quits as he enters?—Yes, that is the principle.

22,191. And the only injustice which can arise is from there being an increased quantity or an increased value?—Yes. If he has been an improving tenant there is likely to be an increased quantity; that is my point.

22,192. The principle is not unfair that as a man enters so he shall quit?—It may be not unfair, but still it is not an encouragement.

22,193. I am not saying that it is judicious, but there is some reason in it where land is not improved at all and the produce is the same; if a man enters and finds manure and hay and straw, it is not unfair that he should leave them when he quits?—That is so.

22,194. Do you suppose there are many tenants who at the present day would sign such an agreement as this, binding them not to sell any hay, or potatoes, or roots, or straw?—Yes, I think there are many that do now.

22,195. Do you think that any alteration of the law could protect men who would sign and enter into such an agreement?—The law would be made binding I take it.

Land courts.

22,196. (*Mr. Dalton.*) How soon after a contract for a tenancy has been entered into do you think the land court should revise the rents?—Every five years I said just now.

22,197. But I mean from the commencement of a tenancy. If two people come to an agreement as to rent and so forth, do you think that agreement should remain in force for five years?—Yes I think so.

22,198. You propose that the land court should have power to reduce the rents in time of depression. Is it also to have power to raise them at other times?—Yes.

22,199. (*Chairman.*) I thought from your evidence that you did not mean that the court should have power to reduce in time of depression, but that the rent fixed for the five years should be conclusive during those five years?—Yes; and that there should not be temporary abatements or yearly abatements on the amount; I do not approve of those.

22,200. (*Mr. Dalton.*) But you would give the court power to raise it as well as to reduce it at the end of the five years?—Yes, I would treat each party alike.

Free sale of improvements.

22,201. With regard to the free sale of improvements. Is that to be in substitution of the existing arrangement? Supposing no one wishes to buy the improvements is the landlord to be liable to pay for them?—Yes, the landlord would take them.

22,202. Supposing that the landlord does not, you propose that the tenant should have power to sell his improvements?—Yes.

22,203. And the landlord may come in and buy them; but supposing no one else outside is willing to give anything for the improvements, is the tenant in that case to have any claim as against the landlord?—Yes, he would have a claim for the improvements.

22,204. Then the sale is not intended in substitution for the present arrangement?—In cases where it is not entered into it would be.

22,205. If no one outside is willing to give it, still the landlord is to pay?—Yes.

22,206. (*Chairman.*) Of course there would be the strong *primâ facie* evidence that the improvements were of no value if nobody was prepared to give anything for them?—Yes, or that the farm was too dear, it would be either one or the other.

22,207. Then the land court has got the power of reducing the rent if the rent was too high?—But it might not within the period of the five years.

22,208. So that the landlord is to be made liable, though in the market the tenant could get no money for it?—Yes.

22,209. The landlord is to remain liable under the Agricultural Holdings Act?—Yes, he would remain as he is now.

22,210. (*Mr. Dalton.*) Supposing some one had bought the improvements, would the landlord still have any claim for dilapidations?—Yes.

22,211. The landlord I mean may consider that so far from there being any improvements for him to pay for, there are dilapidations for which he ought to receive compensation; does the incoming tenant who buys the improvements take the farm liable to that?—Yes.

22,212. Does that get rid of the landlord's claim for dilapidations?—No, he would buy that as well; I should say it would all be part of the bargain; he would take the whole thing. If he got the good will from the tenant he would take with it all the responsibility.

22,213. (*Mr. Channing.*) I do not think you quite understood the questions that have just been put to you; I suppose your view is this, that where there is no purchaser for the improvements the ordinary relation of landlord and tenant under the Agricultural Holdings Act subsists, and what is due to the tenant and what is due to the landlord will be determined in the ordinary way by valuation?—Yes.

22,214. Perhaps you are aware that free sale and compensation by valuation were always treated by Mr. James Howard and others as alternatives in that case?—Yes.

22,215. That where improvements were not sold there should be the ordinary system of valuation?—Yes.

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22,216. Do you take that view also?—Yes, I take that view.

22,217. Of course the landlord would have the same opportunity of obtaining dilapidations as he has under the Agricultural Holdings Act?—Just the same.

Restriction of rents.

22,218. Now may I ask exactly what you mean by a fair reduction of rent in times of depression; do I understand that your meaning is this: that you do not think that a tenant in the present state of the law is in a position to obtain an adequate reduction of the rent in depressed times without the intervention of the landlord?—That is my point. Perhaps I might read my own note of my evidence. My note is, "As to a fair reduction of rent to the "improving sitting tenant in times of depression—that is in "the case of the man who has kept his farm up to a fair "standard of cultivation the court should have power to "come in."

22,219. (*Chairman.*) Do you mean at any interval between the five years?—No, at the end of the five years.

22,220. At the end of the five years?—Yes, when he appealed to the court.

22,221. (*Mr. Channing.*) You mean that a tenant at present, supposing this Bill were passed, would be in a position to go to the land court and get the rent fixed for the five years?—Yes.

22,222. Is it your contention that the tenant is in too weak a position to obtain a satisfactory bargain?—Yes.

22,223. That is your contention, that the state of the law is not sufficient to place him on an equal footing?—Yes.

22,224. And that is rather aggravated, I understand, by the great competition which there seems to be for farms in your neighbourhood?—That is just the point. The competition is, of course, in this way; that farming was pretty good about 20 years ago, and farmers have brought their sons up to farming, and the consequence is there are a great many more wanting farms than there are farms vacant, and they are not inclined to go to other counties. Therefore we have this very great competition in Cheshire for farms.

22,225. Then an improving tenant who wishes to remain on his holding in these bad times owing to there being other men ready to take the farm is not able to obtain a reduction which is adequate?—That is so

22,226. Do you think that many men are now paying rents which the products of the farm will not justify?—A great many.

22,227. Have the rents in the case of the new tenants been considerably reduced?—They have in a number of cases.

22,228. While in the case of the old tenants they have remained without the same fair reduction?—Yes. Perhaps I ought to explain that. In many cases, of course, the old tenant has let the farm go down to some extent before he has left it, and then in order to get a new tenant there has had to be a reduction in rent. I could give you the case of two adjoining farms that I know very well. When the tenant of one left about eight years ago the new tenant got a reduction of rent, and he also got a considerable sum of money spent in improvements. He was on the farm about six years. He has now left and another tenant has got a reduction again and 450*l.* spent in improvements. On the adjoining farm, where the man has been improving all the while, he cannot get a reduction at all.

22,229. Do you think that is a bad policy on the part of the landlord?—It is a bad policy on the part of the landlord, I think. It is against his own interest.

22,230. Then in addition to the competition there is also the loss by removal, the loss of goodwill, and other advantages which a sitting tenant would lose if he gave notice to quit in order to obtain a reduction?—Yes.

22,231. He has to consider all those things?—He has to consider all that. There is a case of a man on one of the largest estates and best estates in Cheshire, who asked for a reduction a while ago. He was unable to get it, and he has had to leave and go into Warwickshire. A new tenant has taken it at 6*s.* an acre less. The old tenant would have been very glad to have stayed on at the money.

22,232. You think that if under these circumstances a sitting tenant could obtain, in times of depression, an adequate reduction, it would be beneficial to agriculture,

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and to the owners of land as well as to the tenants?—I think so.

Compensation for disturbance.

22,233. In view of these losses by removal, what view would you take of compensation for disturbance as an alternative to the land court? Do you think that would meet the difficulty—that where the tenant was evicted unjustly or capriciously, he had the right to claim additional compensation because of that disturbance, in addition to his compensation for improvements?—Of course that would be better than it is now, but I think the other is the better system.

22,234. The other would be the better system?—In going to a fresh farm of course he has to encounter different things besides his actual loss.

Lord Tollemache's leases.

22,235. You gave us a very clear account of what you want in the way of a sort of permanent tenure with the right of the tenant to give notice if he chose, and the right of renewal from time to time at the end of these fixed rent periods, but practically your proposal is pretty much the legalising of Lord Tollemache's lease, is it not?—Yes.

22,236. You think that is the type of what a good landlord has been willing to do in your neighbourhood?—Yes.

22,237. And you think it would be no harm to have that made the law of the land?—I think not.

22,238. (*Chairman.*) Is not there this great difference between your proposal and Lord Tollemache's—that your proposal would give the tenant perpetuity of security, whereas Lord Tollemache's lease is only a lease for 19 years?—It is renewable by the tenant.

22,239. At the end of the 19 years?—Yes.

22,240. For ever?—Yes.

22,241. Are you quite certain about that?—Yes.

22,242. (*Mr. Dalton.*) It is renewable for another period but not for ever and ever?—It has never come to that; it has only been in existence a few years.

22,243. (*Mr. Channing.*) The rent is fixed between them by agreement in that case I understand?—The rent is fixed by agreement. I believe Lord Tollemache in giving the lease said that he wanted to secure the tenants against any one who might succeed him.

Restrictions in agreements.

22,244. You took exception to these restrictive covenants and you were asked a question as to the enforcing of the penal rents—whether valuers did not as a rule enforce the penal rents; do you think that that is a sufficient defence to the existence of these penal rents?—I do not think it is.

22,245. If they are not enforced in the Courts they are presumably unjust and unreasonable with regard to agriculture?—Yes.

22,246. With regard to a tenant going out as he came in, would you think that he would meet questions of manure and what is left, and so on, by agreeing to supply the manurial equivalent of all that he sold off the farm in the way of hay and straw and so on?—Yes. Of course if the letting value was the principle that was acted upon that would settle the matter.

Capricious evictions.

22,247. Now you have referred to cases (I will not go into them) in which tenant farmers have been evicted for capricious reasons. Are you aware that the 41st section of the Agricultural Holdings Act requires the landlord in certain cases to give on the notice to quit a statement of the reasons for which he is resuming possession of the holding?—No, I was not aware of that.

22,248. Do you think it would be satisfactory in order to check capricious eviction to require that a statement of the cause of the notice to quit should be put upon the notice?—I do not think it would because there might be other reasons given perhaps in some cases; the whole reasons might not be given.

22,249. The suggestion has just been made to me from Lancashire but you do not approve of it?—No I think not; the full reasons might not be given.

Railway rates.

22,250. I do not think you said anything in your evidence-in-chief about railway rates. Have you any evidence to give us about that? Will you state for instance what objection you have to make with regard to the milk traffic?—We think that the rate for the carriage of milk is too high according to the value of the milk and according to the labour which the railway companies have with it. We have been agitating for some years for a reduction in the rate for the carriage of milk and we had hopes that we should have got a reduction but it is left just as it was before. The rate for the carriage of new milk is over 13 per cent. of its actual value taking the year round, and the rate for the carriage of skim milk, which is sent largely away to be used as butter milk, is over 33 per cent. of its value.

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22,251. Did you attend the Agricultural Conference in St. James' Hall?—Yes.

22,252. As representative of some of the Cheshire associations?—Of the Cheshire Farmers' Club and the Chamber of Agriculture.

22,253. There were a number of delegates there from Cheshire were there not?—Yes, there were five or six.

22,254. There was a very strong feeling with regard to the necessity for action, was there not?—Yes, a very strong feeling.

Tenure.

22,255. Did you approve of the resolutions passed at that conference with regard to land tenure?—I approved of the one that was not passed—the one that was stronger.

22,256. (*Chairman.*) You did not carry the day?—No, we did not carry the day.

22,257. How many hands were held up for you?—There were many hands held up—I think they were not counted—I could not tell.

22,258. Still not a majority?—Not a majority decidedly, else we should have carried it.

22,259. A small minority?—Not very small.

22,260. (*Mr. Channing.*) As a matter of fact there is a very strong feeling in Cheshire among intelligent agriculturists, such as you represent, in favour of changes in the law of land tenure?—Yes, a strong feeling.

Large and small estates in Cheshire.

22,261. (*Captain Owen-Thomas.*) Are you a tenant on a large or on a small estate in Cheshire?—It is about 1,000 acres; it is a small estate rather.

22,262. Is there much land owned in Cheshire by small landowners?—It is principally owned by large landowners.

22,263. Would you say that tenants on large estates are better treated than tenants on small estates?—I do not think so. I do not think any are better treated than we are.

22,264. Are you satisfied with a remission of 10 per cent.?—Yes, I am satisfied.

22,265. Is that all you applied for?—That is all I asked for.

Competition for farms.

22,266. (*Mr. Chaplin.*) I understand there is great competition in your county for farms?—Yes.

22,267. Is that because the race of Cheshire farmers, and the young men in particular, do not like leaving the county?—To a great extent.

22,268. It is because of this competition you propose that the court is to fix the rent?—Yes.

22,269. You are aware, of course, that in other parts of the country there is no competition?—I have heard it.

22,270. And that farms can be got without much difficulty?—Yes.

22,271. Then because the Cheshire farmers that you represent do not like leaving their county, you think the landlords should be called upon to take rents which are fixed by some outside court instead of by the ordinary way of agreement between the two parties?—In cases where they are too high, of course.

Free sale of improvements.

22,272. I want to ask one question about Mr. Smith's Bill which I did not quite understand. I think you said that the landlord could always resume possession of a farm for his own purposes or for the purposes of any one of his family?—Yes.

22,273. What becomes of the sale of the improvements then?—He would then pay the tenant his compensation.

22,274. The landlord would have to buy the improvements?—He would have to buy the improvements.

22,275. And I suppose he would have to buy them against other competitors; how are the improvements to be sold?—If he had to go against other competitors and he was not satisfied with the price that was offered by other competitors, he would call in the land court then to settle it.

22,276. He would call in the land court?—Yes.

22,277. I thought one of the conditions of the Bill was free sale of improvements?—Yes.

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22,278. That is to say that the tenant who is going to give up a farm has the right of selling his improvements for the best price he can get, is that so?—Yes.

22,279. Does he sell them by auction?—That is not contemplated, I think.

22,280. Might he sell them by auction?—Yes.

22,281. At all events he may sell them to the highest bidder?—He may sell them to the highest bidder.

22,282. Then the landlord can only buy them by outbidding the highest bidder?—Yes.

22,283. That is quite so, is it not?—Yes.

22,284. Do I understand you that in all cases the tenant going out is to have the right of selling his improvements?—Yes, the right of selling them.

22,285. In all cases?—Not in a case like that where the landlord took it for his own purposes.

22,286. Where the landlord takes them for his own purposes, the tenant is not to have the right of free sale?—Not to anyone else—only to the landlord in that case—he could not.

22,287. If I understand the Bill aright, a landlord could always resume possession of the land for himself?—Yes, for himself.

22,288. If he resume possession for himself the right of free sale goes?—Yes.

22,289. And then the tenant can only claim under the Agricultural Holdings Act?—That is so.

22,290. So consequently Mr. Smith's Bill can always be set aside by the landlord coming forward and saying that he wants the land for himself?—Yes, he is obliged to retain possession.

22,291. What?—He must retain possession of it himself for, I believe, seven years and if he does not retain possession that long the tenant is to have the first right to enter in again.

22,292. (*Mr. Little.*) And then is the tenant to repay to the landlord the cost of the value of the improvements?—If he can prove it, certainly.

22,293. And suppose it deteriorated, is there not a provision in the Bill that if the landlord lets the land run down he has to compensate the tenant that has gone out?—I think not.

22,294. Yes, positively, is there not?—I could not just say.

22,295. Is there not a proviso in the Bill that if the landlord who has taken the land into his possession afterwards gives it up to the tenant who had previously gone out he has to compensate him if he does not leave it in as good a state as it was—I put that to you; is that not in the 5th Clause, Sub-section 3 of the Bill?—(*After looking at the Bill.*) Yes, it is so.

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22,296. (*Chairman.*) Do you consider that this proposal that you have made should be applied to every case of tenancy now existing?—That they should be allowed to go to the land court do you mean?

Perpetuity of tenure.

22,297. And that perpetuity of tenure should be conceded to every tenant now in possession?—Yes.

22,298. Every tenant?—Yes.

22,299. Supposing a tenant has been in possession of his farm for one year from the time of the passing of the Act do you consider that he should be entitled from the mere fact of his being in possession to a perpetuity for ever, because he happens at that moment to be in possession of the land?—I think so if he complies with the conditions. Of course the conditions are pretty strict.

22,300. I assume that he complies with the conditions but you are conferring the enormous benefit of granting perpetuity to a man who has only come into possession of a farm a year before?—Yes.

22,301. Or perhaps even six months or three months before?—I presume the landlord would not have let the farm to the man unless he had confidence in him as a tenant.

22,302. The moment a man has come in he is to be entitled to perpetuity for ever?—Yes.

22,303. Although he came in only a year before on an agreement to remain there a year?—Yes. Of course farming from year to year a man could not possibly farm it to do any good to himself.

22,304. Have you drawn the analogy of your case from the proposal in the Irish case?—No, I do not think I have ever read the Irish Bill.

22,305. You do not know what happened in Ireland?—I have only read it of course in the papers.

22,306. Have you not taken judicial rents and fixity of tenure from the Irish case?—We have taken it from the Bill prepared by Mr. Ellis for Wales to a great extent.

22,307. Was not that taken from the Irish case?—I do not know where he got it, but his Bill was the basis we acted upon. What he went upon I cannot say.

22,308. Have the tenant farmers of your association adopted the scheme from the experience of the Irish legislation?—I do not think so. I do not think that the Irish case has really been considered in the matter. It has been looked at simply from our point of view.

The witness withdrew.

Mr. H. W. Wolff.

Mr. Henry William Wolff called and examined.

Mr. H. W. Wolff.

22,309. (*Chairman.*) You are the representative of the Agricultural Banks Association I believe?—I think the Secretary has put that in to give me a status; but I hold no brief from them; I happen to be a member of their committee, but I am not sent here for them.

22,310. Do you represent their views?—I do not know what their views are. They have adopted my views, so far as one particular type of bank is concerned; but what their views are with regard to other matters I do not know yet.

Agricultural banks.

22,311. You have come here to explain a system of agricultural banks which is now adopted in many parts of the Continent, have you not?—Yes.

22,312. I think that system was started in Germany in 1849?—There were two different systems started in 1849. The one that I shall refer to later on is specifically agricultural: the other is general, and claims to have done some good to agriculture, but it has not done very much.

22,313. The principal system which you speak of was started in Germany in 1849?—Yes.

22,314. And has now been extended throughout Germany, Austria, Hungary, the Polish Provinces, Italy, and Belgium, and is also much on the increase in France?—Yes.

22,315. Will you explain exactly the process what is meant by these agricultural banks?—The system I have come to speak about is the one type that I consider particularly applicable to the poorer cultivators, and I fancy it may be made serviceable for our allotment holders, and small occupiers. The object is to find some substitute for the usual security—to give some guarantee to the lender—and that is done by combination, and by checking the members. It is only applicable in small districts where people know one another, and where there is constant contact between them. The security that they give is, in the first place, their joint liability, which is either unlimited, or else it may be limited to a multiple of the shares taken (but it is not really dependent upon shares, and there are banks based upon liability altogether without shares), and, in the second place, the checking of the employment of the loan. In small districts the people all know one another; they know all about one another's doings; and it is in their interest that the thing should not go wrong. Where the district is small, and where the people can watch one another, there it has been found very safe; and in point of fact in Germany since 1849, in one federation, though it numbers now about 1,300 associations, not a penny has been lost.

Raiffeisen Bank in Germany.

22,316. 1,300 banks, do you mean?—There are about 1,300 in Germany of this one federation of the Raiffeisen Union. At the new year there were 1,250.

22,317. (*Mr. Little.*) Would you call them branches of one bank, or separate banks?—Separate banks. They must all be separate; they are limited each to one locality. They can form a central association, and a central bank; but the basis is the local bank.

22,318. (*Mr. Whitehead.*) Only that the central bank must be on the same principle, I take it?—The central bank is a joint stock bank with limited liability.

22,319. (*Chairman.*) Are they all established under some special law?—There is a new law, passed in 1889, which applies to them as to all other co-operative associations, but it does not specially apply to them.

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22,320. Are they established for the purpose of lending money?—They are established for the purpose partly of taking savings, but mainly of lending money for productive purposes, to members only.

22,321. Are they worked for commercial purposes?—No.

22,322. What are they then—are they a kind of voluntary association?—They are voluntary associations of rich and poor both joining together; there are no profits, and all services excepting the cashier's and secretary's—that is one person, who generally draws a very small stipend—are strictly gratuitous.

22,323. How do they raise their capital?—They raise their capital by loan. In the first instance there is often some difficulty, but once they have got established they raise money easily. In Germany they raise it from the Imperial Bank, which corresponds there to the Bank of England here; in Italy they raise it from the savings banks and from other banks, and also from private persons.

22,324. Are there shareholders?—In Germany under the law of 1889 they are bound to have shares, and they have got very small shares of about 10*s.* to 12*s.* each. In Austria they have got rather larger shares—about double that amount. In France there were 56 banks a few weeks ago and they have no shares; but then they have not been started very long. In Italy they have been going on since 1883, and there is only one bank which, to meet the views of a local judge, has issued penny shares—all the others are without shares.

Security for capital borrowed.

22,325. On what security do they raise money?—Simply on the security of their joint liability. One man acts practically as surety for the other. Supposing 30 men join, the 30 men pledge themselves with unlimited liability to the lender; then they secure themselves by checking the borrower. They may limit by special vote the amount to be lent out in all, and the amount which is to be lent out to each borrower; and they are exceedingly strict in their claims for the interest and for the repayment of capital.

Constitution of Raiffeisen banks.

22,326. What is generally the average number of persons belonging to one of these banks?—I am afraid I could not say. In one I found a members' roll of 250—that is rather a large one. In Italy they are very small; they have some of 20 or 30 members and as few as 13 have started one, but that is an exceptionally small number.

22,327. Suppose 30 persons associated themselves together for the purpose of founding one of these institutions, are those 30 as a rule men of means and capital?—There are generally some men of means among them. It is not strictly necessary, but the leaders of the movement strongly recommend that there should always be some men of means; and those are generally the men who have the most experience of business, and it is an unwritten rule that they should be in a majority on the governing bodies, in order to protect themselves and also to assist the local bank.

22,328. Then supposing these 30 persons have started, they borrow money upon their joint responsibility?—Yes.

22,329. Do they lend it to the poorer members of their association or to other persons?—No; only to members.

22,330. Only to members?—Yes, that is one of the guarantees. They are very strict in the selection of members; and that is where the educational value of the system comes in.

22,331. Is there any limitation on the amount that they can lend?—That is according to the rules of the local bank. The local bank may fix a limit. One small Italian bank began by fixing it at 1,600 lire which it subsequently increased to 2,000 or 3,000. In Germany I do not think they have got any limit.

22,332. What rate of interest do they borrow at?—At the lowest that they can get; they generally manage to get it low. In Germany they raise some from the Imperial Bank at 3½ per cent.

22,333. What do they lend at?—They lend at never more than 5 per cent. in Germany; in Italy at 6 per cent. and in the mountain districts at 8 per cent., but in Germany never over 5 per cent.

22,334. Then they make a certain profit between 3½ per cent. and 5 per cent., that is between what they borrow at and what they loan at?—Yes.

22,335. That, I suppose, is absorbed in their expenses?—A part of it in their expenses, but an important feature of the whole system is a reserve which goes on accumulating. All surplus goes to this reserve, which is never to be shared out, not even in the case of the society being dissolved, it belongs to nobody individually and nobody has a claim against it, excepting the bank collectively. Some of the reserve funds so accumulated are very considerable in Germany. I have found some of 1,500*l.* and there are some of 2,000*l.* In Italy they are very much smaller because the banks have been going on for a shorter time and their transactions are not so large.

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Security for loans.

22,336. On what security do they lend their money?—Mainly on personal security.

22,337. Personal security?—Personal security is really the rule. They might take a mortgage where a man has one to give as additional security. In Germany the security is a note of hand generally with two sureties; in Italy they also want two sureties, and they always take a bill of exchange.

Origin of Raiffeisen banks.

22,338. Do you think that these institutions have grown up in consequence of the absence of country banks in these districts?—No; they have grown up nearly everywhere in consequence of the prevalence of usury. Usury was very rampant in Germany up to 1848. The Jews were deliberately kept out of the large towns; a German Minister of State has explained that to me. The law was so adverse to them that they could not carry on any commercial transaction, generally speaking, except under an assumed name—under the name of somebody else who practically lent them their name. So they were all driven into the country and from Belgium downward to the Swiss frontier, and in Lorraine also, the small trading Jews settled in the villages and took hold of all the business there, and carried on usury to an extraordinary extent.

22,339. Were these associations started in order to free the small cultivators from the hands of these Jews?—That was the main object.

22,340. Was it not also the fact that there was an absence in those districts of country banks?—No doubt.

22,341. The Jews had come there in consequence, or perhaps supplied the want, though at usurious prices, which would be supplied in this country or in Scotland by banks. I presume?—Yes, but the banking system was very little developed in Germany at that time. I speak of "Jews," but I should say there were a good many Christians among them.

22,342. There are very few local country banks in those districts, are there not?—Very few.

22,343. These associations are bodies for mutual assistance in the way of loan to supply the place of these banks and to free the small cultivators from the hands of the Jews?—Really when the first bank was started—that was in 1849—there had been great distress mainly in the years 1847 and 1848. The founder of that system was then Maire, under the French law that means mayor of a district of 25 to 30 parishes. He found that everything that the people had was pledged to the Jews, and the people were in a very wretched state. Their cattle was lent by dealers and was pledged to them, and there was great abuse practised in connexion with that trade. All their little buildings were mortgaged and really they did not know what was going to become of them. Then this man Raiffeisen took the question up. He began by starting a co-operative bakery. He sold the bread to members at half-price. Then he started a co-operative cattle purchase association which did some good. Then he went a step further and started this loan bank which was to provide people with money for productive uses only.

Raiffeisen banks and co-operation

22,344. Have these banks led to co-operation, or has co-operation led to the banks, which movement has preceded the other?—I think that is the form that co-operation took at that time in Germany; it was quite unknown till then. About the same time Schutze Delitzsch in Eastern Germany, and Raiffeisen in Western Germany, started it in this way. This is the peculiar form that co-operation took in that country. Supply co-operation is most developed here; productive co-operation most in France, and credit co-operation most in Germany.

22,345. Has it been accompanied or succeeded or preceded by co-operative societies for the purpose of buying manures, implements, feeding stuffs, and so forth?—Succeeded. Agricultural co-operative supply was unknown till these banks became fairly prosperous. I remember more than 20 years ago, when our Agricultural and Horticultural Associations had begun to work properly, I wrote letters to the agricultural paper issued by the Agricultural Ministry of Berlin, suggesting co-operation, but there was none at that time; and now, last October, the Secretary-General of the Union of Agricultural Associations in Western Germany at Bonn told me that in his opinion agricultural co-operative supply is more developed in Germany than it is here. But before these banks found the

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money there was no agricultural supply co-operation that I have been able to trace whatever.

Qualification of members of the banks.

22,346. The existence of these banks seems to indicate that there are farmers in the district of varying degrees of means—some of them well-to-do and others badly off?—Yes. Of course, in Germany they are mainly freehold proprietors.

22,347. Mainly freehold proprietors?—Yes. This system was originally intended chiefly for the small owners—for the small peasantry.

22,348. Are they joined in by the wealthier members of the district?—Yes.

22,349. Then they can give something really more than personal security, because behind them they have got their individual ownerships of land?—What they pledge is their personal security.

22,350. Of course the question arises how far a system of that sort is applicable to the system of farming where the farms are cultivated by tenant farmers and not by their owners?—Yes, but then in France and some of these other places—I will not speak of this particular system, but where other systems of agricultural credit are practised—there are tenant farmers; and in Italy, more particularly in the district where the first bank was started in 1883, that is, in Venetia, and also in Lombardy, tenant farming is really in the preponderance. In Loreggia, for instance, the first bank was started in Italy by 32 men, three of whom were wealthy people (one was —— I cannot call him the squire, but he was the wealthy man living in the place, and the other two were the doctor and the priest), and 17 tenants; so that about 12 were small freeholders. Throughout Venetia and Lombardy, where the system is most developed in Italy, tenantry is in the preponderance. In the mountain districts where banks are very small and the people are very poor, they are proprietors, but the banks are weaker there than they are in the tenantry districts.

22,351. Then you think it is applicable to a system of tenant farmers?—Certainly. I refer in my book to a case where the Bank of France gave personal credit to farmers; that was purely to tenants, and tenants very much on the English style.

Systems of agricultural banks compared.

22,352. I think you say that there are several systems of this kind of agricultural banks?—Yes.

22,353. What is the best of these systems?—I think for small holders the Raiffeisen system, with the unlimited liability of all members (and not necessarily with shares) is certainly the best. It has been shown to be the best by experience. They are adopting it very largely now in France, and as I say, they have never had a loss. There is another system also in Germany; but it is not believed to have done very much yet for agriculture, though unquestionably it has done something. The Italian improvement upon this system, which is also practised in Belgium, seems to me the best of its kind. It is based upon limited liability, the liability being limited to the shares which are issued, which may be small or (as they more usually are) large. In Lorraine they have introduced a bank of this sort with 250 franc shares, which implies a liability of double that amount. But then you want in such a system as a committtee some administrators who are moderately familiar with the banking system, and who can carry on the undertaking as a bank. That is not applicable among very small uncultured folk.

22,354. Are they worked by paid officials or are they purely voluntary associations?—These banks as a rule have only two or three paid officials, of course in towns—but I should not like to speak of town banks now—where they have got large establishments, they have a large staff of paid clerks.

22,355. Then money can only be lent to a member of the Association, as I understand?—Yes.

22,356. And very great care is taken in electing the members of the Association?—Yes, that is so.

22,357. So that the money may be lent with security?—That is so.

Restrictions on employment of loans.

22,358. Is there any limitation as to what the loans are to be expended upon?—Yes. In the Raiffeisen system they always inquire into that, and in the other systems I find it is a growing practice to inquire into the employment of the loan—to ask what is the object that it is to be used for; and then to insist upon its application to that. If it is not applied as was stipulated, then the loan is at once called in. In Germany the banks reserve to themselves the right of calling the money in at any time at four weeks' notice, making the sureties responsible if necessary. In Italy, where they issue bills of exchange, they always issue the bills of exchange for three months at a time, for however long the loan may be granted, and if there is reason to call in a loan they do not renew the bill of exchange at the end of the three months. They always control the employment of the loan with great strictness.

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22,359. Then the majority of these banks have co-operative associations attached to them?—Yes, in Germany.

Co-operative dairies.

22,360. Associated with many of them are there co-operative dairies?—There are some co-operative dairies which are working very well; I have only been to see one.

22,361. They are supplied with milk by members of the Association, I suppose, and they convert that milk into cheese and butter?—They really form, so to speak, a joint stock company, and borrow the money that is required for the purpose from the co-operative bank.

22,362. They collect the milk from the members of the Association, I suppose?—Yes.

Co-operative vintries.

22,363. And make it into butter and cheese?—Yes, or sell it as milk. I saw the dairy at Coblentz. Then the co-operative vintries are exceedingly useful. I want to recommend them in France. They have really nearly doubled the proceeds that the men receive and in some cases have actually doubled them.

22,364. By improving the quality of the wine?—In the first place by that. Then they get a certain reputation for the uniformity of the produce. But the great gain is the economy in the production. They have a common press; they deliver the grapes at the time of the grape harvest; the grapes are tested by squeezing them, and the proportion of sugar is ascertained, and according to that they are allowed so much in the rough, which is paid for with money obtained by credit from the co-operative bank. Then the wine is sold, and whatever surplus there is they get allowed for at the end of the year.

22,365. The whole system seems to be based upon co-operation and association?—Yes, it is.

22,366. Partly for the purpose of borrowing and of lending, and connected with it there are these other co-operative manufacturing establishments?—Yes, quite so.

Applicability of agricultural banks in this country.

22,367. Do you think that the system would be applicable to this country?—I do not see why it should not. I am not prepared to say that we could apply it in precisely the same way that they do in Germany and in Italy. The law is very adverse to us it appears. I am not a lawyer myself, but according to what Mr. Brabrook, the Chief Registrar (with whom I have talked over the matter), has told me, the law seems very adverse to us. Still, we have managed to draw up some rules.

22,368. In what respect is our law adverse to the growth of institutions of this kind?—Under the Industrial and Provident Societies Act, in the first place, no society must do any banking with withdrawable shares; but you cannot have a co-operative association without withdrawable shares, because if people do not know that they can get out they will not go in. If you select your original members you cannot go on forbidding them to transfer their shares to someone else indefinitely, although you can forbid it once or twice. So that means that you must let in people whom you do not know.

Selection of members of banks.

22,369. The whole system is based upon the careful selection of members?—Yes, it is.

22,370. If, therefore, the shares held by those members get into the hands of other persons, and outsiders should come in and claim a voice in the direction and a share in the profits, the system would break down?—It would be very likely to.

Disabilities of co-operative banks under English law.

22,371. Is there anything in our law which prevents the formation of societies and co-operative associations of this kind limited to selected members?—The case is difficult. There is the provision that no banking is allowed—that is, no taking of more than 10*s.* at a time as a deposit, and more than 20*l.* in all by societies with withdrawable shares.

Agricultural banks and deposit accounts.

22,372. It does not appear to me on the face of it that these are banks in the true legal sense of the term. They seem to be associations for borrowing and lending among themselves without anything in the nature of cheques or deposit accounts payable on demand?—They all have savings banks attached to them.

22,373. But it does not appear to be an essential condition of the associations that they should have savings banks?—I beg your pardon?

22,374. (*Mr. Channing.*) Would they not receive deposits and form reserves?—Yes, they form reserves.

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22,375. (*Chairman.*) Are they in the nature of deposits which can be drawn on demand from the bank?—Yes. They take deposits in the German banks more or less in one form; but in Italy, in the Luzzatti banks, they have them for different terms—they have deposits for long terms at rather higher interest, and they have deposits that may be withdrawn at any time. The stimulating of thrift is considered one very great merit of the system.

22,376. Are the deposit accounts limited to members of the association?—They take deposits from anyone. They can allow rather more on the savings bank deposits than the Post Office banks can do, because they realise a higher per-centage.

22,377. Can they use the money deposited with them by outsiders for any other purpose than that of lending money to members of their association?—They may use it in whatever way they choose. The first object is to lend it to members. If they have got more they can deal with it in whatever way they please. These 1,300 banks, or the majority of them, at any rate, in 1876 formed a central bank at Neuwied, which takes their deposits at a certain rate of interest, and lends them whatever money they want at a rather higher interest. The interest is 3½ per cent. now that they allow and they lend out at 4 per cent.

22,378. I understood you to say that they could only lend to members of their association?—The central bank would only lend to the societies.

22,379. In the case of any local societies they can only lend their money to persons belonging to their association?—Yes, that is so.

22,380. In the event of any members of the association desiring to borrow, I understood you to say that the societies could then utilise their money as they think fit; but can they then lend it to other persons?—I do not think that case has ever arisen.

22,381. They always have enough applications for money from members of their own association?—Yes.

22,382. But inasmuch as they have deposit accounts, and outsiders can deposit money with them, they might easily become possessed of very considerable sums?—I think they would probably buy Consols, or something of that sort.

22,383. They would not lend money on the accounts of other persons than members of the association?—I do not know whether the central bank is entitled to do so, but the other banks are certainly strictly forbidden to do so.

Disabilities of co-operative banks under English law.

22,384. Then one does not quite see how it is forbidden in England; do you imagine it to be forbidden by our law that such associations can come into existence under our law?—Mr. Brabrook has told me that nobody has ever defined what banking is. On one occasion, when I was consulting him about the rules to be drawn up, he said: "We tried yesterday to define what banking is, and there "was nobody who could define it." But in the law it is particularly laid down that taking more than 10*s.* as a deposit at any one time, and more than 20*l.* in all, is to be considered banking under the Act.

22,385. Of course, associations of this kind in England and Scotland would have to compete with the existing country banks?—I do not think there would be much serious competition.

Rural branch banks in Scotland.

22,386. Are you aware that in Scotland the branch banks are very numerous—in almost every village there is a branch bank?—I asked Mr. Michie, of the Royal Bank of Scotland, the other day, as to the practice of cash credit which some writers abroad believe to be equivalent to this popular credit. From him and from other Scotch bankers I have learnt that it is very rarely indeed that a cash credit is given for as little as 50*l.*, and never for less; that the majority of cash credits are between 200*l.* and 500*l.*; sometimes 1,000*l.*, 2,000*l.*, and even more; some of them are 100*l.*; and some, but very few, go down to 50*l.* We are dealing with very much smaller amounts; 50*l.* is still the maximum which the Friendly Societies' Act allows us to lend out to one man.

22,387. I was under the impression that in Scotland the banks lent in very small amounts?—I wrote to the manager of the Caledonian Bank of Inverness, and he referred me to Mr. Michie, who is a great authority, he has edited the latest edition of Gilbarts' book, which is considered a standard book on Scotch banking; and that is what he told me. I asked Mr. Michie, and he was good enough to see me, and we had a long conversation about it, and I have used what he said. The Scotch cash credit does not seem to be a growing quantity. In 1826, there was an inquiry by a Parliamentary Commission which showed that there was about six millions lent out. There are no statistics now kept, but I asked Mr. Michie the other day, and he said: "I do not know, but I suppose six millions "is about the amount now;" so that it is not a growing quantity. Of course it has done a great deal of good to agriculture, but the agriculture which it has mainly assisted is the larger agriculture—the tenants with 19 years' leases in the Lothians; not the very small people.

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Application of agricultural banks to systems of large farms and small farms compared.

22,388. The question would arise, how far the system is appropriate to a system of large farms, and how far it is likely to extend?—I should not recommend this Raiffeisen system for the large farms; I would sooner prefer the Luzzatti system, with the fully paid-up shares, and limited liability, managed by people who are rather more familiar with the practice of banking; because for large farms you want larger districts, as you would not find sufficient men in one parish to support one bank. I do not suppose that our larger farmers would go to the same bank as the small allotment holders would go to, because, of course, it becomes known what they borrow, and they would not wish to have that known by those men; they would sooner have a bank to themselves.

22,389. This system appears to have originated in districts where there is a considerable number of quite small tenants, or small proprietors?—Yes.

22,390. And then gradually to have extended?—Quite so.

22,391. But in England, as a general rule, in the agricultural districts, the number of small tenants is limited?—I know it is so; that is one of the difficulties. But then we are going to increase them, I think, considerably, under the Parish Councils Act; we are going to have a good many small allotment holders.

22,392. Small allotments may increase among the agricultural labourers, but I am afraid that is a somewhat slow process which might not be quickly developed?—Still, they will want money to work their allotments with.

22,393. You think the system is applicable to holdings so small as even the allotments held by labourers?—Certainly; that is the very class that I consider it most applicable to.

22,394. I was thinking you meant it to apply to small farmers who were cultivating land employed in a manner which would naturally involve a holding of 50 acres; but you think it would be applicable even to labourers' allotments?—Certainly, I think in one form or other it is applicable to holdings of all sizes. It is chiefly the small occupier who gets the land, and has not got the capital to work it with who wants assistance of that sort; and I think he gives additional security, because he gives the value of his labour as well. The improvement in prosperity and contentment and cultivation that the system has brought about abroad, is something very considerable.

State loans and agricultural banks compared.

22,395. Then do you think it is rather in this direction that aid can be given to the agricultural classes, as opposed to the system of direct loans by the Government?—The system of direct loans by the Government, or by large lending bodies, has broken down everywhere. They have tried it in Germany; they have tried it in Italy; they have tried it in France. The late Emperor Napoleon started a society about 1860, which was endowed with a million francs, and they could not get the people to come to them to borrow, and so they lent their money away to the Khedive Ismail, and they lost it all. There has been similar experience several times repeated in France, and similarly in Germany and Italy. Alsace is a very noteworthy example; they had got about 100,000*l.*, which they did not know what to do with accumulated in the local savings banks, and in the Communal funds. They did not know what to do with that, and the gentleman who was charged with drawing up a scheme for dealing with it explained it all to me in 1890 very carefully. They provided a most ingenious scheme for lending money for agricultural purposes to farmers and peasants; but nobody would come to them. Shortly after Raiffeisen established his co-operative banks there; and now there is not a province in the whole of Europe in which co-operative credit is more active, thus proving that Raiffeisen system is more satisfactory than the other.

22,396. You say that the system of State loans has broken down?—Yes.

22,397. Does that mean that the State found itself unable to collect the loans?—No, they could not get the people to borrow. In France and in Belgium they started what they called *Comptoirs d'Escompte* and *Comptoirs Agricoles*, in France with all the resources of the Bank of France at their backs; in Belgium with the National

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Savings Banks at their backs. They have started with a local committee, who were, to a certain extent, to take the responsibility, and to receive certain profits in return. It was thought that these local committees would know the people in the locality who would be entitled to be given credit to. But they have not done any business whatever to speak of. In Italy they started Agricultural Banks in 1868, and in 1882 out of 37—out of more than 30, at any rate—there were only four still existing, and only two of those were doing any business; and now the peoples' banks are doing a very large business there.

22,398. Are there central associations connected with these local associations?—In Germany they have got several central banks. The Raffeisen system has got a central bank, but that bank was formed by the local associations. The strength of the system lies in the local associations. The local associations may after a time combine to form a central bank, which of course is a very great convenience, but it is not the central bank which starts the local association.

22,399. It is not the central bank which forms these associations?—No.

22,400. But rather the reverse?—Yes.

22,401. Just as these local associations grow, so they find it necessary to have some kind of combination in the form of a central body?—They find it useful. I may say that there was an inquiry by Royal Commission in Prussia carried on in 1874 and 1875; and it is mainly since that time that those banks have grown so considerably there.

Management of agricultural banks.

22,402. What class of persons manage these associations?—The main persons are the chairman (who is unsalaried) and the secretary and cashier, who is generally a schoolmaster or somebody a little versed in penmanship and accounts.

22,403. Is the chairman a large proprietor in the district?—They generally take some wealthy man if they can get him; but on the Rhine I have seen some of the richer peasants, not very highly cultivated men, acting as chairmen. The main responsibilities, I mean the main duties, rest upon the chairman.

22,404. (*Mr. Lambert.*) How large would the area be?—A parish by preference.

22,405. What would be the size of the parish; what would be its population?—It is difficult to say. I do not know that I am quite prepared to answer that.

Numbers and classes of members.

22,406. (*Lord Rendel.*) I think you said not less than about 30 persons started each bank?—Thirty would be a small bank, but they have started with 13, and 17, and 19, but then they always expected to grow. Raiffeisen says that a population of under 400 is too small, but in Italy they have got them in villages which have a smaller population than that. That does not mean 400 members; that means the population altogether.

22,407. (*Mr. Lambert.*) What would be the proportion of small holders, or holders who are engaged in cultivating for themselves in a population of 400 in Italy?—I could not say; most of them would give themselves up to agriculture.

22,408. I wanted to find out the difference between an ordinary labourer working for hire and a man who is cultivating as a tenant, or cultivating his own small farm?—There is no reason why the labourers should not join if they have got a productive employment for their money.

22,409. But I wanted to find the difference in the numbers, if it could be possibly done, in order to have some idea as to the applicability of the system to an English parish?—I think our parishes are, generally speaking, smaller.

23,410. But how many people would be engaged on hire in an Italian parish containing a population of 400?—I am not quite prepared to say. I think there is very little hired work. I think there is more cultivation of small holdings on their own account. I think in Venetia and in Lombardy there is generally little hired labour, and in the mountain districts still less.

Application of agricultural banks to England.

22,411. (*Chairman.*) Has there been any attempt yet to introduce it into England?—No, we have only talked about it. I hope that we shall do it very shortly. This Agricultural Banks Association was formed as a propagandist body to diffuse information upon it. I have been down to Leamington where Mr. Bolton King got a number of small people together, and they thought well of it. They think that as soon as the allotments grow more numerous they will be in a position to start a bank.

22,412. Then I gather from you that it would be in the first place necessary to consider carefully whether the law permits of an association of this kind?—I think we can begin before the law is altered, and then if we have got good results to show I think Parliament will be willing to alter the law. I should not wish to wait till the law was altered. I think people might object that we were asking that the law should be altered for a thing which might succeed or might not.

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22,413. I thought I understood from you that it is doubtful whether they would be legal under the law at present?—We have got up some rules which I do not like, but I think they are the best that we can get under the present law, and I think under those we may begin work. Lord Hampden has expressed to me a wish to try it. He asked me about it just before I went abroad—to France, in April—and I am expecting to hear from him now. He has got a holding vacant in Essex, and he asked the labourers there why they did not take it in small lots. They said they had not got any money. He is one of our vice-presidents, and he said, "Here is a case clearly for an agricultural bank."

22,414. (*Lord Rendel.*) Would you call it in the nature of a friendly society as compared with English work of an analogous kind?—We have adopted the Friendly Societies Act simply for the reason that I have stated, that under the Industrial and Provident Societies Acts you must not lend out above 20*l.*, which is a very small figure, and under the Friendly Societies Act specially authorised societies may lend up to 50*l.*

22,415. Therefore the legislation that would control the project would be mainly legislation affecting friendly societies?—I think so. It is a co-operative society, and the Acts affecting our co-operative societies are mainly the Industrial and Provident Societies Act and the Friendly Societies Act. For larger farmers I should think that we ought to proceed under the Companies Acts.

22,416. As I understand, as regards larger farmers, you do not anticipate any considerable sphere for this scheme?—I do not see why not. I state a case in my book. I tried about 10 years ago to start a farmers' co-operative supply association in Sussex, and the people all approved of it. There are similar co-operative societies in various other counties which are doing good work. But these people, though they approved of the principle, would never join, and one of the leading farmers told me that I should not get them to join because they were all on their dealers' books and could not get off; so they were not free agents. That was one of the reasons which induced me to inquire carefully into this system in practice abroad.

22,417. Dealing with the scheme as a co-operative credit scheme, not as a co-operative supply association, I think we understood you to say that you felt that the publicity which would necessarily attend all transactions would rather keep out the larger farmer?—What I meant to say and what I think I did say, was, that that publicity would keep the larger farmers from borrowing of a small occupiers' bank. They would want to have a bank to themselves.

22,418–19. They would then come directly into competition with the country banks, I presume?—I do not think so; and I do not think they ought to. Their societies would do something that the country banks at present would not be prepared to do. The country banks lend on standing crops, and they lend on the general character of the farmer; but a farmer usually comes to them only when he is in a difficulty and when he wants to get out of it, and it is rather a desperate way of trying to get out of it; whereas these banks give credit to farmers as ordinary banks give credit to a commercial man—for a productive purpose. The farmer takes his farm; he finds people to trust him; he finds that by putting more manure in, by buying such and such a machine, by building such a barn or stable, or whatever it is, he can increase his profits and can repay his loan in a certain time, whatever that may be, two years, five years, or 10 years—they lend money occasionally for tolerably long periods—and then he comes to the bank and borrows the money for that purpose. He says, I can show you that by employing the loan that I ask of you for manure, or whatever it is, I shall increase my receipts to such an extent that within the stated period I can repay the principal with so much interest, and leave a profit to myself. That is the object that these banks are started for.

22,420. Then the basis on which you would rely for a larger business would be the security which the association had that the money advanced by them was being spent in a particular and definite and a remunerative way?—That is the principle throughout.

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22,421. And in that manner you would differentiate the operations of the association from the ordinary operations of a country bank?—One may say so.

22,422. Then I understood you, I think, to rely largely upon the small business which these associations would be able to do in the way of giving petty loans for minor purposes, even down to the holders of allotments?—I do not think they should confine themselves to them, but that is of course what I take most interest in, because it would bring help to the people who stand most in need of it.

22,423. And you look to local insurance and local management as essential to any success which might attend it?—Certainly; but there are co-operative banks which give very much larger credits than they should to people who ought not to go to a co-operative bank at all. M. d'Andrimont, in Belgium, will not allow a loan of over 2,000 francs—that is, 80*l.*—in his bank. He says people who want more had better go to other banks.

22,424. Are any reports summarising the results of this scheme or system available?—There are a good many reports out. I have got some materials in my book. For the Raiffeisen system generally there is no complete *statistique*, though one is now in preparation, and will shortly be published. I proposed at the People's Bank Congress at Toulouse a little more than a year ago that statistics should be collected, and the French Government undertook to collect them, but they have not proceeded very far yet, because there are very great difficulties in the way.

Agricultural banks in France.

22,425. Taking France in the first place, do these associations prevail much in the Metayer parts of the country, or are they mainly in those parts where *la petite culture* is practised?—I do not think there are many in what are generally recognised as the Metayer districts. In France the whole thing is rather new. M. Durand, of Lyons, started it on the Raiffeisen system, and he has about 56 banks now. They have done well so far, but, of course, upon so short a period of existence you cannot form a conclusive judgment. There are several other systems in force in France. There is particularly the Poligny system, where they have got two classes of members—they have got rich and they have got poor; and they have lent out since 1885 nearly a million francs on a capital which originally amounted to only 20,000 francs, and they have never experienced a farthing's loss. The Agricultural Syndicates are less perfect, I think, than the Raiffeisen system. They have an inquiry now by the *Conseil Supérieur du Travail*, and the upshot seems to be that they all consider the Raiffeisen system the best for agricultural purposes. They appointed a Commissioner to inquire into it, whom I have been coaching to some extent, and who is going to present a report. They are very anxious to establish this system generally in France.

22,426. Is the system prevailing in the Nièvre?—In the Nièvre, that is a different system. That is simplicity itself, really. An intelligent bank manager, M. Giraud, who is now at Marseilles, came down there in 1866 or 1867; he found that the graziers obtained their bullocks to fatten and send to market very much as our graziers do here, but that they did not do justice to their pastures, and at the same time upset the local banking system by drawing out all their money in the spring and paying it in in October and November in inconvenient masses. So, having got the authority of his chief at Paris, he proposed to these farmers, many of whom are big men, and some of them very big men, that if they would find two additional signatures he would lend them what money they wanted simply on a bill of exchange which was to run for from six to eight months so as to enable them to fatten two relays of beasts, and then they were to repay out of the money that they realised at the Villette. That has succeeded to a great degree. He calculates that in 10 or 11 years he has lent out between 130 and 140 million francs, and that he has put 25 million francs into the farmers' pockets. He has never suffered any lost except on one occasion, and that was through his own fault; he did not ask the tenant who borrowed the money to show his landlord's receipt. It happened that the tenant was in arrear, and so 50,000 francs worth of beasts were seized by the landlord by distraint.

22,427. (*Mr. Giffen.*) How much did he lend altogether?—It was 50,000 francs.

22,428. Altogether?—He had 2,000*l.* worth, that is what M. Giraud states. The evidence is official, and it is given in an inquiry which was made in 1880.

22,429. You mentioned the aggregate amount of the loans in a certain period that he had made, what was it?—From 130 to 140 million francs is the amount he states in his evidence, and he calculates that he put about 25 million francs into the farmers' pockets by that method. He lent at one per cent. above bank rate, and to people living at a greater distance whom he did not know, he had a fixed rate of six per cent. The overplus over the ordinary rate went into the Bank of France.

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22,430. (*Lord Rendel.*) That you adduce, as I understand, as an example to show the value of mere forms of providing advances?—Yes.

22,431. But not as on all fours with the scheme of co-operation?—No, this is a different thing. I simply stated it to show of what utility credit may be to farmers. During the drought of 1893—last year's drought—a member of one of the Agricultural Ministries, the agricultural department in one of the Thuringerian Duchies, admitted that these agricultural banks had done more to help agriculture than the federated governments had done in coming to their assistance in removing the cattle from places where they sold for a song—where a full-grown bullock fetched 2*l.*—to districts which were less affected, where they could realise larger prices, and then when the farmers wanted their beasts back they lent them money, which they could do with perfect safety. What is mainly in their favour is that they have never lost a farthing in all this time.

22,432. You point out that this system has succeeded in Germany to a very large extent; that it has succeeded in Italy, and that it is having considerable success in France?—I should not like to say considerable success in France. They have been begun in France and the French are very keen upon them. They have inquired into the subject and they are very anxious to start these banks. They have started 56 of them in a great hurry, and it remains to be seen what good they will do. I think they will do well there as they have done everywhere else, but I could not say now that it has been successful there, because it is only about two years ago or something of that sort that they were started in that country.

Agricultural banks in Germany.

22,433. But of course this system must already have had application in a very wide variety of agricultural production?—Yes, that is what I think. I have seen it in force and doing good service in the new Colonies in the Eastern Provinces of Prussia, where they are cutting up large estates and creating villages out of deserts, so to speak. It is one of the most successful measures they have instituted in Prussia since Stein and Hardenberg. The President of the Association charged with this work has shown me one or two of these banks which have been begun among people who were brought together from different parts of Germany into these new settlements and have promptly begun to start these agricultural advance-banks which supply them with their working capital for agriculture.

22,434. Might we not, perhaps, say that Stein and Hardenberg were at the foundation of this system by their establishment of the freehold occupier?—That was for peasants; that was not for the small people like this.

22,435. Then you discriminate between the peasants and the small people?—Yes, but I have simply brought in Stein and Hardenberg to shew that I really do not think there was any more useful agricultural measure put into operation in Germany since the reforms of Stein and Hardenberg. I did not compare the one with the other.

22,436. With great variety of agricultural production is there not, as a rule, a great prevalence of freehold occupation in Northern Germany?—In Germany there is.

Application of agricultural banks to freeholders and tenants compared.

22,437. Would you say that that was the mark of the area to which this system has hitherto been applied?—Yes, there; but in Italy there is a great deal of tenant holding where these banks are established. The leaders of the movement do not allow, of course, that there is any difference in the utility of the system for tenants or for freeholders. It is equally applicable and equally useful to both, because it is based upon personal credit. That is what Léon Say says. He says: "What pleases me in these "banks is that they practice personal credit."

Effect of cash credits on moral habits.

22,438. Secured by personal observation—by the control one of the other?—By that control one watches the other, and as soon as one goes wrong the other one warns you. I have got here what has been noticed about the Scotch credit system, which is said to raise the moral tone of the Scotch farmers so much, because it makes them all watch one another. I have got letters from the Statistical Office in Hungary. This is what is said about cash credit in the evidence given before the Lords and Commons Committee of 1872: "The system has a great effect upon the moral habits of "the people, because those who are sureties feel an interest "in watching over the borrowers' conduct, and if they

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"find that the borrowers are misconducting themselves "they become apprehensive of being brought into risk of "loss through becoming their surety, and so if they find "the borrowers are so misconducting themselves they "withdraw their surety." They watch one another, and that compels them to be honest.

22,439. (*Mr. Everett.*) Your system seems, then, to be one that may be briefly summarised as capitalising character?—That is what Luzzatti calls it. He calls it capitalised honesty.

22,440. It seems to be singularly well adapted for small people engaged in small agricultural transactions, and wanting money to buy a pig or anything of that kind?—Quite so. In Italy I have looked through the books, and have found that it is chiefly used for that purpose. When they want to buy a *vacca* or a *maiale*—a pig, or a cow—or a calf, or that sort of thing, then they borrow.

Parish Councils and agricultural banks.

22,441. Our parish councils which are about to be established, and which will afford an easy means of obtaining small plots of land, would seem to afford both the opportunity of getting the land to work and of initiating these banks in order to get the money with which to work the land?—I do not think the parish councils could do it.

22,442. They could initiate it?—They might initiate it.

22,443. Evidently you could not take a parish council *en bloc* and make its members the bank, because they would be very likely elected to their position without regard to their particular suitability for forming that sort of bank?—In Switzerland, in two Cantons, the parish councils do these things, and in nearly half the Canton of Thurgau the parish meeting decides whether they ought to raise a fund. They do not want a large fund for that. They have got about 6,000*l.* now—150,000 francs—in addition to a fund of 1,000*l.* which is limited to one particular locality. They agree to raise this fund on their joint security, and out of it lend money to anyone who wants to buy a cow, or a calf, or sometimes goats. They always inquire into the case; they value the beast, and they check it from time to time. They have bought a a large number of cows, something like 600 or 650, and one man told me that by the aid of one of these societies men now kept three cows where they formerly used to keep one in consequence of the assistance given to them by these funds. They have lost money only in that one particular parish where there is a fund of 1,000*l.*, which obliges them to lend to anyone who asks, so that they cannot check the borrowers so carefully, and they suffer loss in consequence.

22,444. I was rather thinking that these new parish councils would afford a very ready means of bringing the subject under the notice of the people in their respective villages?—Yes, I think they might do that.

22,445. And also of obtaining the land for the people and showing to the people that by forming themselves into these banks they could not only have the land but they could have the money with which to work the land?—That is what I was thinking of. Between 600 and 650 cows have been bought in Thurgau by these means, as I have said, and cultivation is very much improved, and the local prosperity has very much increased.

22,446. There are money clubs in England, are there not?—Yes, there are some.

Money clubs in England.

22,447. Do they go into matters as small as these, do you know?—I think they really lend chiefly to stop a hole—if a man wants money for some particular case of need. For agricultural purposes you want long loans; but these money clubs can never grant them for very long periods, because all their money is open to withdrawal. Our self-help societies, which are very little known, have shown how safe lending is to small people. The Self-help Society of St. Pancras, consisting of costers and railway hands, and that class of men, in six and a half years has lent out about 8,500*l.*, and has only lost seven shillings. The Self-help Society of Ealing has lent out in six years over 5,000*l.*, and has not lost a farthing; and only in respect of 11*l.* have the sureties been called upon to pay up. In that case 6*l.* had been guaranteed by the Vicar, and he was considered fair game for pillage, but he has been disqualified, for his own protection, from serving as a surety in the future.

22,448. (*Mr. Channing.*) Is that a Raiffeisen bank?—No, but it shows how honest the people become when it is their own money and their own funds that they are made guardians of, and when they are responsible to one another. People who think nothing of fleecing a rich man will never think of fleecing one of their own class mates.

22,449. The English loan societies have had very heavy losses, have they not?—They have, so far as I have been able to ascertain from the Chief Registrar.

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22,450. One of the great features in your researches into these societies abroad is that they nearly all, with the exception of the Schulze Delitzsch, have had practically no losses?—The well managed have no losses whatever. The Wollemborg Societies in Italy and the Raiffeisen banks in Germany have had no losses whatever.

22,451. Those are purely co-operative?—Yes.

Co-operative banks in Italy and Germany.

22,452. And conducted by local self-government?—By local self-government of the most democratic sort.

22,453. In what sense do you mean that they are purely co-operative? I do not think you have stated whether there are dividends or not in these societies?—They do not allow any dividends. They began by having no shares at all, and so there could not be any dividends, and there ought not to be any dividends. They want to keep out any inducement for self—any idea that a man is to get anything out of them. When Prince Bismarck forced shares upon them, they made the shares as small as possible —10*s.* to 12*s.*—and they voted the dividends away to the reserve once for all.

22,454. The profits are really used for cheapening credit, and forming this strong reserve?—Cheapening credit and forming this reserve, which, of course, becomes a rock of solvency to them.

Relation of co-operative banks to other banks.

22,455. You were asked questions about the relations to other banks; as a matter of fact, a good many of these societies abroad, in Italy, for instance, were formed in this way, were they not; the large banks gave what were large cash credits, I suppose you would call them, to these societies in the first instance, in order to enable them to re-lend?—No, I beg your pardon, that is my idea of what we could do here. I think that the people could guarantee a cash credit at a bank; some wealthy people might do it for the local bank to operate with. In Italy they do not know that system, and they simply borrowed the money. They borrowed 2,000 lire or whatever the figure might be, for a certain length of time, and the savings' banks, which have a great deal of money at their disposal, and often do not know what to do with it, were very glad to lend to them. In Germany they had difficulties, but in Italy, except in Wollemborg's first bank, they had no difficulty that I have been able to hear of.

22,456. The direction of my question was this, that these societies would really obtain money on loan to a certain extent from the banks?—Yes.

22,457. And so would be feeding the banks rather than competing with them, would they not?—Yes, but then there are local banks which raise all their money by savings, and I should like to point out that I have found out that the savings that those banks collect, not only the agricultural banks, but all those co-operative banks, are savings over and above what the people put into the savings banks. I asked the presidents of two of the largest savings banks in Italy, the Bank of Milan and the Bank of Bologna, whether the saving done by the co-operative bank was done at their expense. They brought out their books and showed me the figures. They said the people's Bank of Milan was established in 1866, and you can see the figures going over the whole period of years. We did not at first go on increasing quite so rapidly as we did before, but after two or three years the whole thing was wiped out, and we went on just as before. Here are 10 or 11 millions sterling savings in the people's bank, which is quite outside what is saved by other means. These banks give a great additional inducement to saving, and a very potent one.

Indebtedness of English farmers.

22,458. As a matter of fact very large classes of farmers in England are heavily in debt now, are they not?—I believe them to be, I have heard them to be so, but I could not say that of my own knowledge.

22,459. You are not prepared to give any evidence as to the facts published recently in the "Pall Mall Gazette" then?—I could not from my personal knowledge. I have seen a good many of the papers, especially those relating to Sussex, which were shown to me, and of course I took an interest in them, but I do not think I am competent to give any opinion upon them.

Co-operative banks and insolvent farmers.

22,460. Are you able to give an opinion as to the possibility of applying these banks in order to rescue farmers from their creditors as has been done in Germany?—It has been done to a very large extent in Germany. In the case of people who were really ruined, and were on the eve of being sold up, those banks stepped in; and also in Italy. Sometimes a very small loan has proved efficient, a

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very small loan to begin with, until they have bettered their position. The banks have done that to a very large extent, and so have rescued poor people from the claws of the usurer. That is one of their great merits.

Loans on personal security and mortgags compared.

22,461. One of the advantages of the system of going on personal security as against mortgages is that a small sum of money at the disposal of one of those societies can be used over and over again in a large number of loans by avoiding the system of giving security in the form of a mortgage, and giving it in the form of personal security?—Yes. They have found that a mortgage was a most inconvenient method to adopt, because it locks up the money; and in some of the Schulze Delitzsch banks they found they had to foreclose, and that has landed them in loss. I have a letter from the head of the Agricultural Department in Saxony, in which he says that the losses suffered by that means are very great. The Raiffeisen banks, by taking purely personal security, have avoided that danger.

22,462. The sense of working with fellow-members of the society has stimulated the men to be honest and careful, and to make good their repayments; and so has gradually built up a better commercial morality, as it were, amongst the farmers in Germany and Italy?—It has done so to a very surprising extent. In the evidence taken by the Royal Commission which reported to the Prussian Government in 1874, there is evidence from judges, one of them being now Judge of one of the Chief Courts of Appeal, to that effect. I have quoted in my book the evidence given by M. Rostand and M. Léon Say, who have seen the thing at work. What it amounts to is this, that the people in the parish, seeing what advantages the bank offers, are very anxious to join. Their character, say, is not very first rate, and so when they come and apply for membership, the Committee say, No, we will not have you at present; you must mend your ways first. They mend their ways, and come back, and then they get admitted. Where there was a good deal of thieving, for instance, that has been discontinued, in order to be admitted. The evidence of these judges shows that there is very much less litigation, especially about the purchase of cattle, where balances were owing for beasts. There has been no litigation whatever to speak of, where formerly there was a great deal.

22,463. All that is applicable to small farmers, and would be very useful to them?—I should think so.

Application of co-operative banks to English farming.

22,464. You do not see any difficulty, providing you can get the English farmers on a larger scale to understand such a system, in its working satisfactorily among them?—I think the main difficulty is about understanding it. This is so totally different to anything that we have got here that people cannot at once understand it. I must confess that it took me a very long time to master it, travelling abroad, and looking into it and asking questions.

22,465. The English farmer looks upon borrowing as a means of staving off ruin; he does not look upon it so much as a method of carrying out his productive work, does he?—I think that is so. I think we have had no system of agricultural credit yet to speak of, to compare with the system of commercial credit.

22,466. The object of your Association is rather to stimulate that idea among the farmers, is it not?—Certainly; it makes them so much more businesslike, and it makes them calculate, which is greatly wanted here, I think, on what transaction they make a profit, and on what transaction they make a loss. It makes them go into the cases more carefully. Here, now, they look at the whole thing, and at the end of the year, if it brings them a net loss, they do not know on which transaction they have made a gain, and on which transaction they have made a loss. But this banking stimulates their sense of business; it makes themcalculate beforehand, and put down figures, and they find themselves the better for it.

Interest on loans advanced by banks.

22,467. (*Mr. Lambert.*) What rate of interest is allowed to depositors?—That varies according to the bank, but it is always a little less than the interest which the borrowers pay. In some cases the difference is only half per cent., in some cases it is one or one and a half, and in some cases it is 2 per cent.

22,468. What is the rate they allow usually; there must be, I presume, some uniformity?—I do not think there is, because every local bank is free to fix its own tariff.

22,469. What is the most usual?—I should say about 3 to 4 per cent.

22,470. They charge the borrowers half per cent., or a little more than that, more than they give to the depositors?—That would depend upon the size o the bank in a large bank they could work with 1 per cent., or a half per cent. difference, but in a small bank they would have to charge about 2 per cent. difference at least.

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Capital necessary to start a co-operative bank.

22,471. How much money would it take to start one of those banks?—I suppose a very small sum would be sufficient. It all depends upon the needs that are likely to arise. Raiffeisen supplied all his three undertakings, the co-operative bakery, the Co-operative Cattle Purchase Association, and the first bank, with 300*l.* of borrowed money.

22,472. I mean to begin a co-operative credit system in a parish with a population of 600 say?—I do not think it is possible to say. I myself fancy that a very small sum would be sufficient at first, because the transactions would be very small to begin with.

22,473. Could you estimate the sum?—I do not think I could.

22,474. What is the most usual amount of loan granted?—I do not think I could say that, but as a rule they are small loans.

Security for loans.

22,475. Is character the only security, or must they have something more tangible, for a loan?—They want character; they want it to be accepted as members; then they want sureties; and they want to state the employment of the loan in order to show that they are going to turn it to good account.

22,476. Does that mean as sureties, what is known in common parlance in country districts as coming in bonds for a man?—Yes, it means that a man is responsible for the debt.

22,477. I mean that there are other men who are responsible to the bank for the borrower's repayments; he has to find sureties in that sense?—As a rule he has got to find sureties; so that there are really three classes of people responsible. In the first place the borrower himself is responsible; and then, if he should fail, there are the two sureties (as a rule there are two), and after that, if those sureties fail, then the whole of the members are responsible.

Number of members for small bank.

22,478. What is the most suitable number of members for a small bank; what should you estimate as being the lowest number of members that could work a bank of this description?—That is difficult to say. The lowest that I have heard of as beginning a bank is 13, but that is really a very small number, and, of course, they expected to have additions to their numbers after some time.

Capital of co-operative banks from deposits and loans.

22,479. I suppose you can go up to an unlimited number?—I do not think there is any maximum limit to their number, but it is limited by the size of the district, of course.

22,480. Before they can lend out any money, they must have a deposit?—Unless they can borrow; they generally begin by borrowing.

22,481. I mean to say, when a thing has got started they must, before they can lend out any money on land, have a deposit?—They must have a loan; they can raise that loan either from the bank or from an outside person, or by taking deposits.

22,482. (*Mr. Giffen.*) Are not loan and deposit to a banker equally a liability of the bank?—Yes.

22,483. The same thing?—Yes. They generally begin by getting some philanthropist, who wants to help them, who wants to give them support, to lend them a sum of money, for which they make themselves liable; or else, now, they go to the Central Bank. Some people have been exceedingly grateful for being granted a loan, and the Director of the Central Bank told me that they give perfectly sufficient security, which the Central Bank were quite satisfied with.

22,484. (*Mr. Lambert.*) Supposing there were more borrowers than depositors, the thing would not be able to go on, I presume?—Yes, because they borrow from the outside. For instance, they go to the Central Bank, and the Central Bank goes to the Imperial Bank in Germany, which corresponds in that country to the Bank of England here. They say, "We have got so many members; we want a loan of 200*l.* or 250*l.*" whatever the sum may be, "will you lend it to us." They say "yes"—after a time, they always say "yes"; at first there may be some difficulty. Then they begin with that money, for the deposits only come in later. The people take a wonderful interest in their bank as a savings' bank. They prefer it to the Post Office Savings' Bank, because it is their own, and because they know that the money is kept in their district and can be profitably employed there.

22,485. I presume it is your idea that the superflous capital (of which there is very little in our country districts,

as you can imagine) should be used for giving assistance to those who have not a sufficient amount of capital?—There is always plenty of capital in the country.

22,486. Quite right, but in the wrong peoples' hands?—Quite so; I agree with that. That is one point on which Luzzatti, the late Minister of Finance in Italy, justifies the co-operative banks of which he has introduced one very successful system. He says formerly the money (and Sir —— Lumley in the Parliamentary report of 1886, quotes him) of the country used to be sucked into what Cobbett calls the "wens;" it all went into the large centres; now, with the help of those banks, it remains where it is raised, The capital is distributed over the country and it remains in its own district to fructify there.

22,487. Would these banks be a success unless depositors are prepared to deposit amounts with them in order to cover the loans that they make: the banks would not be such a success had they to go to an outside bank for a large loan upon their own credit?—I do not see that it makes any difference. Of course the savings' bank is proof that the spirit of thrift has been stimulated, which in itself is a great thing; but as far as the borrowing is concerned, I do not think that it makes any difference whether they have raised the money by deposits or whether they have got it from an outside lender.

Mode of establishing a co-operative bank in a small parish.

22,488. (*Mr. Dalton.*) How would you exactly start one of these banks in a small parish? You would have a certain number of labourers in the parish who had saved money, and a certain number who had not saved; do you think those who had saved would join for the purpose of borrowing money, or that it would be those who had not saved who would join; who would be the men who would have an inducement to join one of these banks in an ordinary country parish?—My impression is that people would be very chary to deposit at the outset—they would be very careful; and that it would be mainly the people who wanted to borrow who would come.

22,489. Then you would get 30 or 40 men in one of those parishes who wanted to borrow money who would join it?—Some of them I suppose would be people who needed to borrow money, and others would be people who wanted to help what they consider a good cause.

22,490. But I am speaking of the labouring men; I am not speaking of a philanthropist assisting them. You think that the labourers who joined would be the men who wanted to borrow?—Yes, I should think so.

22,491. Do you think you would get enough of these in an ordinary country parish to form a bank?—If there were not enough there would be no room for a bank; and I would sooner have no bank at all than a bank which there was no occasion for.

24,492. You would require 30 or 40 at least who would want to borrow small sums?—I should be prepared to start with fewer. The question has to be considered, how few are sufficient. The Bank of Loreggia started with 30; others have started with 19; one started with 13. I think if I found 20 or so who were willing to try, I should be perfectly content to go on with them.

Outstanding loans of German co-operative banks.

22,493. (*Mr. Giffen.*) You told us that there were no statistics of these banks, I think?—There are statistics of some, but, unfortunately, the principal statistics are not at present out, though I am expecting them very shortly. A representative of the Italian system told me at Bordeaux a few weeks ago that he had got his Italian statistics ready. The German statistics are in preparation. They have been going on compiling them since last October, so that they ought to be out very shortly.

22,494. Could you give me a rough idea of what the aggregate loans of these 1,250 banks in Germany would be at the date of the last balance-sheet—I mean the amount outstanding?—I do not know. I have got a balance-sheet here, but I do not know how far it is complete. That shows about half a million sterling to be out.

22,495. On one bank?—No, on a number of small banks. I do not claim for them at all that they do a very large business like the town banks, but I claim that they help people who are not otherwise to be helped.

22,496. I wish to understand what the aggregate of the business comes to altogether, in order to give us some idea of what part it has in the economic life of a country?—In one bank of about 250 members, which has raised up a reserve fund of 1,500*l.*, I think the lending amounts to about 2,000*l.* a year.

22,497. How much at one time is outstanding?—Here is a little bank; I cannot say what is outstanding at any time, but it has 250 members, and it has got a turnover of about 35,000*l.* That is an exceptionally prosperous one.

22,498. Per annum—that is a large bank?—I will not call it an exceptionally large one, but an exceptionally prosperous one. It is on the Rhine, where an acre of land fetches 288*l.*, and there is very good cultivation here.

22,499. That is the turnover?—Yes; but it is exceptional.

22,500. It is not the amount outstanding at one time?—I am afraid I could not say what that is.

22,501. Take a small bank, how much would the turnover of a very small bank be; what is the smallest you are acquainted with?—I do not think I have got any figures to show that, although I have got some figures here.

22,502. Would there be banks going on which have less than 500*l.* outstanding at one time?—Yes, there would be plenty.

22,503. A good many of those 1,250 banks then are banks which have not 500*l.* out on loan at one time?—I daresay that is so; I cannot say positively, but I have not the least doubt that that is so. I am quite satisfied that a good many of them do a very small business.

Large co-operative banks and small banks compared.

22,504. You referred to a bank which you said had lent a million francs, that is about 40,000*l.* in the period from 1885 to 1893; was that a large bank?—I beg your pardon. I think you misunderstood me. I said that the French Government started a bank assisted by credit about 1860 with a million francs capital. I think that is the only connexion in which I mentioned the precise sum of a million.

22,505. My note is that they had lent a million francs in about nine years; you do not recollect mentioning a case of that kind?—Yes, that is the Poligny case. That is one I do not recommend.

22,506. Was that a large bank?—That is not one on my system at all, and one of the managers admits to me that the system of Raiffeisen is superior to theirs, and that they are going to transform themselves.

22,507. It is the scheme of business that I wish to have some idea of; would you call that a large bank which lent 40,000*l.* in the course of nine years?—I think that is a large bank, but it is not a bank at all on the system that I recommend.

22,508. I quite understand that, but still you would call it a large bank?—Yes, but then you must remember they began in a very small way.

22,509. I quite understand that, I merely wish to get at the exact facts, what you consider a large bank and what you consider a small bank?—They in 1892 lent out 212,000 francs and in 1893 only 183,000 francs, because many people parted with their cattle on account of the drought. They explain that.

22,510. That was a large bank?—A tolerably large bank.

22,511. If a great many banks have outstanding at one time less than 500*l.* and you consider it to be a large bank which lends about 4,000*l.* to 5,000*l.* in one year would it be a fair calculation do you think, to say that in the case of all these 1,250 banks in Germany the amount of loans outstanding at one time would not be more perhaps than 1½ million sterling?—I could not say, but I daresay that might be so.

22,512. It is not a very large business altogether?—Perhaps not. I should not like to attach any weight to its being a large business, because the danger that we find in some co-operative banks is that they become large, and and that they then cease to be co-operative. The 1,250 banks spoken of are the banks of the Raffeisen system only; there are a large number of others, even in Germany, not reckoning the town banks.

22,513. Then in this country, for a time, at any rate, considering the conditions of this country, and that we have not got the class of peasant proprietors or small farmers to so large an extent as they have on the Continent, the business done would probably be very much less than that figure?—I do not think that that follows. I think that once our people understood it, they would take it up with very much greater vigour, and that it would spread over a larger part of the country.

Effect of agricultural banks on allotments and tenancies compared.

22,514. But you have not the people?—I think under the Allotment Act we shall have the people.

22,515 You think you would have the people?—I should think so.

22,516. That brings me to another question that I should like to put: you anticipate a great success for this banking

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system under the Allotments Act, do you not?—I believe so. I think it is likely.

22,517. So that if a considerable part of the agricultural area of the country was taken up for allotments, for which, usually, people pay a better rent than for ordinary agricultural land, that would be a very good thing for the landowners?—I think it would be a good thing for all classes.

22,518. It would be a good thing for the landowners and for the people who had the allotments?—It would be a good thing, in the first place, for the people who had the allotments, and no doubt it would indirectly benefit the landowner.

22,519. Would it be a good thing for the present class of tenant farmers who can hardly make both ends meet, and whose rents would be raised probably by this competition?—I do not think it would hurt them, and I should be very sorry to see rents raised; but I do not see that that quite follows.

Manner in which capital is obtained for co-operative banks.

22,520. (*Sir Nigel Kingscote.*) I should like to understand how these banks start. I have tried to gather how they get their first capital, but all I have gathered at present is that, unless there is a philanthropist who would produce the capital as required, they must borrow it?—I do not look upon it as philanthropy. At the outset, before the system was first tried, no doubt they did, as a rule, rely upon a philanthropist, but they pay the ordinary interest; they buy their capital just as the Rotbschilds buy it, and as the Bank of England buys it: they pay the usual interest.

22,521. We will say that 20 people at the beginning will start one of these banks. As I understand they do not put down any money of their own?—Some of them do a little, and some do not. It is not essential to the system that they should do so.

22,522. Not essential?—It is not essential.

22,523. They must have money from somewhere?—They must have money, and they borrow it.

22,524. Then they have to begin by paying interest, I suppose, for that money which they borrow?—Certainly, they pay interest, and they do like every other bank does; they borrow it, say, at 3 per cent., and lend it at 5 per cent., and keep the 2 per cent.

22,525. In practice when they have to borrow this money to start with, do they borrow it at a cheaper rate than those whom they borrow it for pay?—Yes.

22,526. How do they manage that?—I beg your pardon?

22,527. (*Mr. Dalton.*) Is it that 30 people joining to borrow, borrow at a lower rate of interest than they each would borrow at singly?—Of course they borrow at a cheaper interest than they lend out at.

22,528. (*Sir Nigel Kingscote.*) They do?—Yes.

22,529. (*Mr. Dalton.*) They lend it out to themselves? Yes. The bank collectively borrows the money at the cheapest rate that it can get it at, and it lends it out at the cheapest rate that it can do so without making a loss; but there is always a difference of 1 per cent. or 2 per cent. or somewhere there about.

22,530. (*Sir Nigel Kingscote.*) In practice these banks established in Germany and elsewhere have been able to lend money at a cheaper rate than we could borrow it at here or individuals could borrow it here at their banks?—You mean to say that the members borrow it at a cheaper rate of their own bank than they could of outside people?

22,531. No; you have said that these banks have to borrow money, and that they have to charge their members an interest that will cover the interest that they are paying for that money?—Yes.

22,532. But I suppose they have some means of paying back the capital?—Yes.

22,533. As a matter of practice is that interest a larger interest than individuals borrow at from banks here with sureties? You say each man must have as sureties two bondholders, and we will take an individual here with two bondholders?—I think a small man would have a very great difficulty in borrowing what he needed at 5 per cent., without a great deal of trouble and asking a favour. I suppose he would not get the money. There is one thing I think it is material that I should state—indeed, there are so many things I should like to have said, but it is so difficult to get hold of the thing, and we are a little bit at cross purposes because the thing is so entirely new. To show the way they start these banks I may mention that several of the provincial governments in Austria lend the banks newly started 3,000 florins, I think it is for two years at 3 per cent. interest; after the two years they are bound to repay it, and they generally do.

22,534. In instalments?—I suppose they generally do by instalments. The individual borrowers are always required, when they borrow for more than a year, to repay by instalments and they are very strict in insisting upon that repayment. The President of the Colonisation Commission that I have been speaking of, told me himself that when he was the Landrath (that is a sort of petty sessional Lord Lieutenant, one might call it) in Silesia he started two such banks with the help of the Communal savings bank that he had got. Those savings banks are entitled to employ their money as they think fit, and he lent out money to these two new banks at 4 per cent., which they repaid in a very short time and very much faster than he expected.

22,535. Then really, as a matter of practice, these banks that you have had practical experience of, or at least that you have seen, get their money either from the state or from some large proprieter who—I must use the term again—is a philanthropist and who lends it to them?—Not philanthropists—men of business; and I should not like to say the State; these are provinces with provincial governments.

22,536. Did you not use the word "State" just now. You said the State in Western Austria, I think?—In Austria it is the provincial governments; in other places it is the savings' bank, but that is not a State Institution. That is a savings' bank belonging to the "circle" as they call it—the arrondissement. They have self-government in these things. They have got their own savings bank, of which the Landrath, the chief administrator of the district, is the head, and they have power to invest their money as they think fit; and he has used the savings bank money which belongs to the district in lending it to the loan bank.

22,537. And you say that practically there has hardly, if ever, been a case of fraud?—There has been no loss.

22,538. They have never lost money through fraud?—There have been cases of fraud, but only few; and the banks have suffered no loss by their involving a new tax upon members; they have recovered from sureties and out of the reserve.

22,539. (*Lord Rendel.*) I think, in your examination-in-chief, you said that in starting one of these associations the capital was raised by loan upon the security of the joint and several liability, unlimited liability, of some 30 or 40 persons who associated themselves together?—Yes.

22,540. Therefore the bank would look to the personal credit of the 30 or 40, and would look to find that there was one or more individuals among them whose unlimited liability would be an adequate security?—It would have done so in the first instance, but now that the thing has become so common, I do not think that there is any question about it. Of course they look at the bank.

The witness withdrew.

Adjourned to Thursday next at 12 o'clock.

Forty-second Day.

Thursday, 7th June 1894.

PRESENT:

THE RIGHT HON. GEORGE JOHN SHAW-LEFEVRE, M.P., IN THE CHAIR.

Viscount COBHAM.
The Right Hon. BARON RENDEL.
Sir ROBERT NIGEL FITZHARDINGE KINGSCOTE, K.C.B.
ROBERT GIFFEN, Esq., C.B.
CHARLES ISAAC ELTON, Esq., Q.C.
Captain OWEN THOMAS.
FRANCIS ALLSTON CHANNING, Esq., M.P.
JOHN CLAY, Esq.
ROBERT LACEY EVERETT, Esq., M.P.
JOHN GILMOUR, Esq.
GEORGE LAMBERT, Esq., M.P.
WILLIAM CUTLACK LITTLE, Esq.
CHARLES WHITEHEAD, Esq., F.L.S.

HERBERT LYON, Esq., *Secretary.*
R. F. CRAWFORD, Esq., } *Assistant*
FREEMAN THOMAS, Esq., } *Secretaries.*

His Grace the Duke of Richmond and Gordon, K.G., &c.

7 June 1894.

HIS GRACE THE DUKE OF RICHMOND AND GORDON, K.G., &c. called and examined.

His Grace the Duke of Richmond and Gordon, K.G., &c.

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22,541. (*Sir Nigel Kingscote.*) As we know, your Grace was President of the Royal Commission appointed to inquire into the state of agriculture in 1880–82?—Yes, I was.

22,542. You have, I believe, large estates at Goodwood, in the county of Sussex?—Yes.

22,543. You have also large estates in Scotland?—Yes.

The Goodwood Estate.

22,544. Taking the Goodwood Estate first, will you tell us how many acres it comprises?—The Goodwood Estates comprise 19,716 acres, of which 11,844 are arable and pasture; 4,263 down; and 3,608 forests and plantations.

22,545. What sort of size are the farms on the estate?—There are 32 farms on the estate which range from 50 to over 500 acres each. There are four farms between 50 and 100 acres; 12 between 100 and 300 acres; 5 between 300 and 500 acres; and 11 of 500 acres and upwards.

Land in hand.

22,546. Have you any of those farms in hand at the present time?—Yes, I have five on hand.

22,547. What is the acreage of those?—The acreage is about 2,300. That is exclusive of the Home Farm; I have five in hand over and above the Home Farm.

22,548. That Home Farm I conclude you have had in hand for many years?—Yes, for generations.

22,549. Have you had those other farms in hand long?—One I have had in hand for four or five years, and one I took in hand this last spring.

22,550. Have you tried to let them?—Yes, I have tried, and I am very anxious to let them. They are chiefly farms with a good deal of down, and I fancy that the reason I do not let them is that farmers have not had the capital to embark in a sufficient quantity of sheep to stock the farm, and in these times they do not like to risk it.

22,551. Those five are large farms I conclude?—Yes, they are a fair size, averaging about 600 acres.

22,552. Taking those you have had in hand for some time, might we ask what has been the result of your own farming; whether it has been a loss or what?—One of them is a very good farm, and I certainly have not lost on it, I think I have made money on it.

22,553. Do you charge yourself a rent?—Yes.

22,554. And interest for the capital?—Yes. The one farm that I am surprised at not being able to let is rather situated a good way from the village. I think farmers may not like to be there; as it is rather a lonely place.

22,555. Far from railway accommodation?—Yes, it is four miles from a railway station.

22,556. With steep hills to till?—Yes.

Rental.

22,557. As regards your Goodwood Estate, might we ask what its actual rent is?—The actual rent received in 1892 was 13,878*l.*; the agreed rental was 17,800*l.*, so that the arrears and deductions amounted to about 4,000*l.* Some of the tenants are on yearly agreements, and some hold on lease, but I made the same deduction to them all.

22,558. Does that 13,878*l.* include the rent of the farms in hand?—Yes. I make out that with the remissions I have made this last year (when I thought it necessary to make an additional remission of 10 per cent.) for every 100*l.* of rent that I ought to get, I only get 63*l.*, and I remit 37 per cent.

22,559. Basing the rental on what year; do you go back 20 years or 25 years?—No. I say that for every 100*l.* of rent I ought to receive I only get 63*l.*

22,560. Does that include arrears and what you allowed?—Not arrears but remissions.

22,561. When did the reductions of rent begin?—They began in 1879.

Reduction of rent.

22,562. That is rather what I wanted to ask your Grace; what is the reduction of your rents comparing 1879 with 1892 and 1893?—Before 1879 there was no remission, and calculating from that time up to this last year, the reductions have been 27 per cent., and last year 37 per cent.

Leases.

22,563. You have mentioned the word "leases," are your farms in Sussex held upon lease?—Some on leases and some on yearly agreements.

22,564. Of late years have you been able to let them on lease?—No, they do not like leases in the south so much as the yearly agreement. I prefer leases very much, both in the interest of the landlord and especially in the interest of the tenant.

Cottages.

22,565. What was the length of the leases generally before?—The Goodwood leases are for 14 years; that is by the Estate Act; I could not give more.

22,566. Can you tell us how many cottages there are on the Goodwood Estate?—I have 402 cottages, of which 203 are let with the various farms at rentals of from 1*s.* to 2*s.* a week; 29 are rent free; and the remainder are occupied by the workpeople employed by me on the estate.

22,567. Have they gardens?—Every cottage that it is possible to give a garden to I give a garden of an eighth of an acre, which I find quite as much as they want.

22,568. Have you any demands for allotments besides?—Not a great many; there are some. I may mention one case, where I was building a new pair of cottages, and was setting out some ground for gardening, I wanted to see what half an acre and a quarter of an acre looked like on the ground, and the man who was going into the cottage begged me not to give him more than the eighth of an acre, because he could not do justice to more.

22,569. Do you consider your labourers well housed, taking them generally?—Yes, I think so. My friends

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consider that I have a sort of craze on that subject. I endeavour to have the best cottages I can. I have spent about 30,000*l.* since 1873 in building 86 new cottages, and repairing old ones. I find that if ever I buy a pair of old cottages, I have to pull them all down, and build up new ones.

22,570. Then you spend a very large sum of money in building these cottages?—Yes.

22,571. Can you tell us the aggregate rental from the cottages?—The aggregate rental of the cottages that I get now is about 1,280*l.* a year. The average annual return from the cottages for 20 years is 1,135*l.*, while the average annual expenditure on the cottages works out to about 1,472*l.*, so that that is a dead loss.

Small holdings.

22,572. Have you any small holdings on the Goodwood Estate?—Very few. There are a few acres of grass-land let as accommodation land, and there are 78 allotments.

22,573. Are those allotments rented high, or are they rented according to the rents around?—No, they are not rented high; the rent is from half a crown to 4*s.* 6*d.* for about 20 poles. I find where they have good cottages and good gardens attached to the cottages that they do not care about the allotments. The greater number of the allotments that I have on my property are outside a village where they have no gardens; where the village does not belong to me, and the cottages have been built upon ground only just big enough to hold a cottage, without any means of giving gardens. Outside that village I have given allotments.

Form of lease.

22,574. To return to the question of the leases, could you hand in your form of lease?—Yes (*see* Appendix).

22,575. Do you wish to call attention to any particular clause in that lease?—Yes, I do. I may say that I drew up this lease very much in consequence of the evidence on the Royal Commission of 1880. I thought that my lease wanted a little alteration, and I took advantage of the information that we got on that occasion to draw up this lease. I wish to call attention

Division of rates.

to Clause 18, "The landlord will pay the land tax, and "landlord's income tax, and the tithe rentcharge due "and payable in respect of the demised premises"—then this is what I thought important—"and half of "such new and additional rates and taxes as may be "hereafter assessed upon the premises." I thought it was rather hard upon a tenant if he had a lease, and when he signed the lease thought that his rates and taxes were a certain sum, and therefore that he was justified in giving the rent which was asked, if during the currency of the lease fresh rates and taxes were imposed upon him, which were what he could not possibly have expected when he took the lease; and therefore I put in this clause, that the landlord should pay half.

22,576. Is that put in your agreements for yearly tenancies?—Yes.

Freedom of cropping.

22,577. Is there any clause in your lease as regards freedom in cropping?—Yes, there is this clause:—"The "tenant shall cultivate and manage the arable lands "in a husband-like manner, and shall keep the said "lands clean and in good heart and condition, and "during the last four years of the tenancy shall farm "the lands upon the four-course system of husbandry, "that is to say, one-fourth part in fallow or root crops, "one-fourth part in lent corn, one-fourth part in "clover or good grass seeds, and the remaining fourth "part in wheat."

22,578. Then for any period except the last four years he may farm very much as he likes?—Yes, but I find that they farm generally on one system; they find the four-course system suits the country.

22,579. (*Mr. Channing.*) May we know what the length of the Goodwood leases are?—Fourteen years. I cannot give more by the provisions of the Estate Act.

22,580. (*Sir Nigel Kingscote.*) Before leaving Sussex may I ask whether you are chairman of the board of guardians?—Yes, and I have been since the death of my father in 1860.

22,581. The Chichester Union, in which Goodwood is, I suppose, is a very large union?—Goodwood is in the West Hampnett Union, not the Chichester Union—the Chichester Union is outside. There are 36 parishes in West Hampnett.

Rates.

22,852. As regards the rates can you tell us whether they have increased or not?—I do not think they have.

22,583. Not taken generally?—No, not throughout the union. I think the subventions that we have had from the Government have helped to keep the rates down.

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22,584. Are they about the same as they were 20 or 25 years ago?—Yes, I think so.

Estates in Scotland.

22,585. Now we will turn to Scotland, please. Perhaps you will kindly tell us how many acres your estates in Scotland comprise?—There are 269,290 acres in the counties of Inverness, Banff, Aberdeen, and Elgin, and the estate in Scotland measures about 70 miles in length.

22,586. Can you tell us how many acres there are in each county?—Yes. In Inverness there are 27,409 acres; in Banffshire, 159,950 acres; in Aberdeenshire, 69,660 acres; in Elgin, 12,271 acres. Of the total area, 49,000 acres are arable, and 220,290 are mountain land, rough pasture, woods, &c.

22,587. Can you give us a statement of the number of the tenants and the size of the holdings?—Yes. There are 882 tenants, 327 of whom pay under 10*l.* a year. Of the remainder there are 112 tenants who pay above 10*l.* and under 20*l.*, 183 who pay above 20*l.* and under 50*l.*, 134 who pay above 50*l.* and under 100*l.*, 75 who pay above 100*l.* and under 200*l.*, 26 who pay above 200*l.* and under 300*l.*, 13 who pay above 300*l.* and under 400*l.*, 7 who pay above 400*l.* and under 500*l.*, 2 who pay above 500*l.* and under 600*l.*, and 3 who pay above 600*l.* and under 650*l.*

22,588. That comprises all?—That is the whole estate.

Expenditure on improvements

22,589. Can you give us any statement of your expenditure on improvements on your Scotch estates?—Yes. Since the year 1860 I have expended on farm buildings 126,245*l.*; I have expended on cottages 28,856*l.*, and I have expended on draining 43,055*l.*, making a total of 198,156*l.* There are other expenditures on the estate which do not come under the head of agricultural improvements.

22,590. Further sums?—Yes, but not money spent upon farms. I have built a harbour, and so on.

22,591. Was any sum you spent in building the harbour money spent for the sake of giving a more easy access to the market for agricultural produce?—No. It is a small harbour; there was an old wooden harbour there, and it became a question of whether it should be renewed or not. I felt that if it was not renewed the people who live there—it is a place called Port Gordon—would have nothing to do, in fact, I do not know what would have happened to them, so I thought it right to build up the harbour, which I had built of concrete at a cost of 15,000*l.* in order to enable them to remain there and fish in the sea. But the harbour does did not anything like repay me for the money I laid out. But that expenditure I have not calculated here, because I do not consider that as belonging to the farms.

22,592. That is not in the sum of 198,000*l.*?—No, it is outside it.

Abatements of rent

22,593. Now as regards the abatements of rent during the last 15 years on your Scotch estates, they have been considerable, have they not?—Yes. The abatements of rent during the last 15 years have amounted to 88,198*l.*, and if I were to calculate up to the present time they would amount in the last 15 years to 100,000*l.*

22,594. Can you give us the abatements in the last three years?—Yes. In 1890 I abated 8,144*l.*; in 1891 8,065*l.*; and in 1892 9,286*l.* The reason that 1892 is larger than the year before was that it was a very bad year up in the higher districts—up in Glenlivet—and I had to make a greater remission to them. It was a very late year and a very bad harvest.

22,595. Then the per-centage of reductions and abatements of rent on your Scotch estate was very much less than those upon the Goodwood estate?—Yes, certainly.

22,596. Could you say to what extent?—Yes, I can.

22,597. What is the per-centage then?—In Scotland the property is divided into three districts. There is first of all Enzies, which is where Gordon Castle is situated. It is near to the sea; it is about nine miles from Elgin. Then there is the Glenlivet district, which is on higher ground in the upper part of Banffshire, towards Balmoral and that way; and then there is the Huntley district. I have not given the same

remissions to each district, but I have dealt with them as I thought they required. In the Huntley district in 1879 I gave off 20 per cent., and in Glenlivet I gave off 20 per cent., but nothing in the Enzie district, as I did not think they wanted it. Then Huntley next year was 20 per cent, then 5 per cent., then 15 per cent., then (in 1886) 15 per cent., in 1887 25 per cent., in 1888 25 per cent., in 1889 22 per cent., in 1890 20 per cent., in 1891 20 per cent., and in 1892 20 per cent. I gave off very much the same in the Glenlivet district, except that in the year 1892, thinking they were very badly off and would be—they had neither meal nor seed—I gave off 30 per cent. Then in Enzie it has varied from 5 per cent. in 1884 to 10 per cent. in 1885 and 1886, then two years at 20 and the rest up to the last year at 15 per cent. That remission is upon land equally held by lease and by yearly tenancies.

22,598. Is most of it held on lease?—Yes, the greater part; all the leases are for 19 years.

Form of lease.

22,599. Does the same agreement hold good in Scotland, or is it rather different to the Sussex agreement?—It is different altogether. Here is a printed form of the lease on the Scotch property, together with the articles, regulations, and conditions, under which the farms are let (*see* Appendix).

Personal supervision of estate.

22,600. I understand that your Grace takes a personal supervision of all these abatements and reductions?—Yes.

22,601. That nothing is done without your knowledge?—Nothing is done on the estate without my express sanction.

Tenure of holdings in Scotland.

22,602. In the building or rebuilding of your steadings we hear from a sub-commissioner that your Grace is very particular about the bedroom accommodation for the men, and everything else as regards families?—Yes, certainly.

22,603. Have the holdings in your Scotch estate been occupied by the same families for any length of time?—Yes, I have shaken hands with a man whose great-great-grandfather was out in '45 with Charles Edward. They never change. In the Huntley district, in the parish of Cairney, there are six families who have been there for four generations and more. In Drumblade there are nine; in Gartly there are 17; in Huntley nine; in Rhylie one; and in Kennethmont there are four.

22,604. We have it in your brief that in the Fochaber district 15 tenancies have been in occupation in the same family since 1773, and 52 since 1809?—Yes; and in the Glenlivet district there are 50 representatives of tenants who were farming the same holdings between 1765 and 1785, and there are some cases where the ancestors were out in 1745.

Pesonal supervision of estate.

22,605. I believe nothing is done in any way to interfere with tenants on the estates from the smallest crofter and cottager to the largest farmer without your sanction?—No, I go into it all myself. The three divisions have got a factor each and a commissioner over the whole. We meet once a year, and if there are any new leases to be granted, or any rents to be fixed, I hear what they have got to say and then decide for myself. I fix the rent, and I should not take a rent from anyone if he offered a bigger sum than the one I thought was right. I should offer it to the old tenant at the rent which I considered, after consulting with my factor and commissioner, was the one which ought to be paid, and if anybody else offered to give me a larger rent I should not take it.

22,606. Would you sooner keep the old tenant on the land if he was a good farmer?—Yes. Besides I should know that that was a fair rent, and if the man outside wanted to give a bigger rent I should think that he did not know so much about it as we did.

Letting by tender.

22,607. Would you be against letting farms by tender?—Certainly; I never did it but once and then it was a very great failure, for I got a very bad tenant. I was obliged to do it on that occasion. I disliked it very much, but I was bound to take the highest bidder, and unfortunately he was a man that I had declined to have as a tenant several times before.

Relations between landlord and tenant

22,608. May I ask whether, in your experience on estates both in England and in Scotland, the general feeling between landlord and tenant is on a very good footing?—I should say excellent.

Land courts.

22,609. Would you favour any proposal to introduce land courts or any other tribunal to interfere between landlord and tenant?—No, I should be distinctly opposed to that. I think I and my tenants can manage our own affairs ourselves better than with the interference of any outside parties. That is my experience.

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Cattle disease.

22,610. To go now to a different subject. I believe you have had some experience as regards cattle diseases?—Yes. I stamped out the cattle plague in 1877 when I was at the Council Office.

22,611. You have had experience as being at the head of the Privy Council Office, and also practically?—Yes.

Slaughter of foreign cattle.

22,612. What is your opinion as regards the slaughtering of cattle at the port of debarkation?—I am strongly in favour of their being slaughtered at the port of debarkation. I think if you could get this country entirely free of disease you would get more cattle bred in it than you can get when there is a chance of disease coming. I am rather confirmed in that view by what I see in the paper—that is all the information that I can get—to the effect that there have been animals with disease coming from Canada when Canada was supposed to be quite free.

22,613. Would you be in favour of keeping up those restrictions as much as possible?—Certainly.

22,614. (*Mr. Everett.*) Your Grace presided over the last Royal Commission which sat on the depression of agriculture, did you not?—Yes.

The Royal Commission on Agriculture, 1880-2.

22,615. I find in the principal report presented by that Commission some 14 remedies or alleviations for the depression in agriculture, which was found existing then, were suggested. I have a list of them here and I will just read it. The first was "Aid from personal property to rates"; there has been a considerable subvention tending to that, has there not?—Yes.

22,616. The second was "Division of rates between owner and occupier"—nothing has been done in regard to that?—Pardon me, I have done it myself.

22,617. Individually, but legislatively there has nothing been done?—Yes, that is so.

22,618. Then better cottages were suggested—they also on large estates we know, have been built in a great number; the fourth suggestion was to forbid the landing of live cattle from where disease exists—that also has been done; the next was to facilitate and cheapen the transfer of land—that still remains in arrear, I am afraid; another was to lay land down to grass—unfortunately that is going on rapidly; then protection against adulteration was another—there has been legislation directed to that end; another was to label produce by right names—that also has been dealt with to some extent; another was to give compensation for improvements, and that has been sought to be granted under the Agricultural Holdings Act; the next was freedom of cultivation, which practically exists, I believe, on all estates now; the next was to change tithe to a fixed sum—your Grace would probably agree now that if that recommendation had been carried out it would have been a calamity to landowners instead of a blessing?—Well, I do not quite understand.

22,619. It was recommended at that time by your Grace's Commission that tithes should be fixed at par, was it not?—Yes.

22,620. That is at 100*l.*; it has now fallen to a little over 70*l.*, I think, so that that recommendation would have been adverse to the interests of agriculture if carried out?—I pay the tithe; all my farms in Sussex are let tithe free.

22,621. Still your Grace would have considerably more to pay every year now for tithe had that recommendation of the late Commission been carried out; your Grace would have had to pay 100*l.* where now you pay 73*l.*?—Yes.

22,622. Then the Commission further recommended that the tithes should be made payable by the landlord; that has been done; the equalising of railway rates—there has been legislation in that direction, but not very successful, I am afraid, and the appointment of a Minister of Agriculture—that has also been done. Generally, I would like to ask your Grace this question: Notwithstanding that most of the recommendations which your Commission made have been carried out, agriculture to-day is in a much worse condition than it was when that Commission sat?—Yes, because the prices are so low.

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22,623. I think I noticed in looking over what passed before that Commission that the question of the connexion between monetary changes and agriculture was not at all touched upon by that Commission?—If you mean bi-metallism, certainly not.

22,624. Has your Grace paid any attention to that?—Not the least, except reading some of Mr. Chaplin's speeches.

22,625. Then your Grace has not had your attention directed to the Commissions or the Committees of the House of Commons and House of Lords which sat on agricultural depression earlier in the century, namely, between 1820 and 1837?—No.

22,626. (*Mr. Channing.*) I suppose the report of the former Commission on Agriculture represented your Grace's opinions generally at that time?—Yes.

Low prices.

22,627. I think it would perhaps be of interest to this Commission if you would express any further opinions that you feel disposed to express as to the present position?—I have nothing to tell the Commission except that what we are suffering from is low prices.

Division of rates.

22,628. I gather from the adoption in your own leases of the principle of the division of the new rates that you approve of that being done by Act of Parliament on equitable terms with regard to other properties?—Yes, I think it would be very fair. What I do myself I should think right for other people to do.

Leases on the Goodwood Estate.

22,629. Now I understand that your Sussex leases are for 14 years, and that for the first 10 years the tenants are left free to farm their land as long as they farm it in a husband-like manner?—Yes.

22,630. Would you contemplate under leases of this kind a renewal of the lease towards the end of the tenth year if the farm was being thoroughly well worked?—Yes, they always go on.

22,631. That would be the system under which such leases would be worked—from your point of view?—Yes. I think a landlord is a very foolish man if he gets rid of a tenant when he can possibly keep him.

22,632. Now I would like to put to your Grace one difficulty with regard to the leases which of course is obvious at the present time; the average value of produce 20 years ago was very much higher than 10 years ago, and that was very much higher than it is now?—Yes.

Sliding scale of rents.

22,633. Would any lease be workable unless you had some sliding scale or some power of revision to meet that fall of prices?—I should not like a sliding scale, I prefer a fixed sum.

22,634. The objection of the tenants to a lease, now I suppose, is that agriculture is such a venture—that wheat may be down to 15*s.* in five years?—Yes, but when they do not take a lease they have a yearly agreement.

22,635. But that is the difficulty in farming on a lease. You would object then to the introduction of leases with any sliding-scale arrangement adjusted to prices?—Yes. I think it would be very inconvenient. If a man does not like a lease I give him a yearly agreement.

Estates in Scotland.

22,636. Your properties in Scotland are of a very varied character, I think. For instance, I suppose the Huntley Estate would be quite different from the Glenlivet Estate in regard to the character of the farms?—Quite, and the Enzie Estate would also differ. I have known them in Enzie district, which is near Gordon Castle, begin their harvest about the 10th of August, and up in Glenlivet, in a particular part of it called Glenlinnes, they frequently do not begin harvest until the first week of October.

22,637. Practically, I suppose, it is sheep grazing there, is it not?—No.

22,638. Not up in Banffshire?—No, not altogether.

22,639. You expressed a thorough disapproval of letting farms by competition?—Yes.

The fixing of rents.

22,640. May I gather from that that you think it is fair that rent should be based upon some average estimate of the productive powers of the land?—That is rather a wide question. What I do is this: I have every farm inspected by my own people, and when they report to me what they consider to be the right rent I go into it and cross-examine them as to what induced them to come to the conclusion they have, and then I either accept it or lower it, as the case may require.

22,641. Is your Grace aware with regard to the penal rents that in the valuations after them the practice is to reduce the payment to an estimate of the actual loss sustained?—I do not know that.

22,642. (*Mr. Lambert.*) Have you ever let your own farms under your own valuation; or have you always succeeded in getting the rent that you fix?—It is in this way; if I fix the rent and the tenant thinks it too much, then if he asks me to reduce it I have done that sometimes.

22,643. And you would base your estimate upon the valuation of your factor?—Yes, he would tell me what he thought the farm was worth, and then I should go into the question with him before I offered it to the tenant.

The Agricultural Holdings Act.

22,644. Have you had many cases of tenants quitting under the Agricultural Holdings Act?—No, not one.

Leases.

22,645. You state in your brief that you are in favour of leases, could you give us the reason why you are?—Yes. I think they are for the benefit of the tenant, and for the benefit of the landlord as well. I can give you an illustration of it in a case that took place, not on the Scotch Estate, but on the property at Goodwood. I had just arranged with a tenant to give him a 14 years' lease, and I had signed the lease and he had not, and the poor man died, and he left his widow with a family of children. I thought it would be very hard upon her if she had no place to go to and no means of bringing up the children, and so I told her that I would put her into the farm in the place of the husband she had lost. They had it for the 14 years, and she was able to bring up her family very comfortably.

22,646. Is it not also to the advantage of the cultivation of the soil, the fertility of the soil, that a man should have fixity of tenure in a degree?—To a certain extent, yes; but I think it is to the interest of the man whether he has a lease, or whether he has a yearly tenancy, to farm properly; if he farms badly he will not make money.

22,647. Is it not an inducement for a farmer to farm better when he has a certain tenure of his farm?—No, I do not think so, because all my tenants who have got yearly agreements look upon it that they are likely to remain there and they treat it almost like a lease.

22,648. So, of course, your tenants are in the position of having practically fixity of tenure?—Well, it is pretty nearly fixity of tenure, when you come down from 1745 to 1894.

22,649. Therefore they have no scruples on that score. Have you given a great deal of attention to any remedies for the present state of agricultural depression?—No.

Low prices.

22,650. You say we are suffering from low prices; would you be in favour of remedying that by the artificial raising of prices?—I do not quite see how it could be done.

22,651. You think such a case would be impossible?—I will not say impossible, but it does not occur to me how to do it.

22,652. Impracticable?—I do not understand how it could be done. Of course, if we could get higher prices, I should not very much mind how it was done if it was done properly.

22,653. You do not see any means of doing it?—No, I do not know how to do it; if I did I should very soon put it into operation.

Freedom in cropping.

22,654. (*Mr. Little.*) Your Grace told us that some of the tenants on the Goodwood Estate were yearly tenants?—Yes.

22,655. Have they the same freedom of cultivation as those under lease?—Yes.

22,656. Then the arrangement as to bringing the land back to a particular course in the last four years of the tenancy does not apply in that case?—No. I have always looked upon it that the yearly tenancy is likely to go on, and I have never thought how I could arrange with them for the four years.

22,657. As a matter of fact you could at any time put the stopper on; if you saw a yearly tenant going too far you could give him a caution?—Yes, I suppose I could.

22,658. There is that difference between a lease and a yearly agreement; that with a yearly tenant he can be stopped if he is doing too much in the way of flogging

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Cottages.

the farm? Then with regard to the cottages, a number of them are let with the farms, I understand?—Yes.

22,659. Has the farmer a complete control of the cottage under those circumstances?—The cottages are only let by the month. I do that for this reason: supposing that I consider a tenant is not treating the labourers properly—for there are good tenants and bad tenants—if I considered he was asking the labourers too high a rent, I should then have a power of taking the cottages back into my own hands at the end of the month.

22,660. As long as the tenant treats his cottagers fairly, he has the power of turning out a man who does not suit him?—Yes.

22,661. And if he does not exact a higher rent than you charge, you do not interfere?—Never.

22,662. He has practically the control, although you retain a right by which you can protect the cottage tenant?—Just so.

22,663. Do you know, as a matter of fact, whether the farmers generally let the cottages, or do they give them rent free in return for extra services?—I should think it is both ways. I should think the man took probably a carter at so much a week and a cottage.

22,664. You charge from 1*s.* to 2*s.* a week, I think you said?—Yes, from 1*s.* to 1*s.* 6*d.* for the cottages let with the farms.

22,665. Which is a very small sum upon the actual cost?—Very small indeed.

22,666. Do you know what the average cost of cottage building has been with you in Sussex?—A pair of cottages cost me at least 400*l.*

22,667. Without charging anything for the land on which they stand and the garden ground?—Yes, that is merely the building.

22,668. Do the repairs fall upon you?—They were falling on the tenants, but I found very often that they did practically fall on me.

22,669. Therefore the building of the cottages is not practically remunerative?—It is not remunerative in the sense of giving a monetary return.

22,670. Not as an investment?—Not as an investment, but it is in making the labourers comfortable and contented.

22,671. And that is indirectly advantageous. But a great many good cottages are still required in various parts of the country for labourers. I do not mean on the Goodwood Estate, but on many others?—Yes; and some of mine are not as good as I should like to see them.

22,672. The inducement to men who are not men of fortune to build cottages which only pay 1½ per cent. is not very great?—Not as an investment, certainly not. My cottages show a loss on the outlay.

State loans for building cottages.

22,673. It has been suggested that advances of public money at a low rate of interest might be made for the purpose of building cottages; would you approve of that?—Yes, I think that would be a very good thing; but I do not like borrowing myself.

22,674. The Government lend to the Irish sanitary authorities money at a very low rate of interest repayable within a term of 50 years, for the purpose of providing cottages; do you think it would be advisable to advance money at a similar rate of interest to the landowners of England for the purpose of providing cottages?—Yes; I think it would be an advantage.

Bothies in Scotland.

22,675. With regard to Scotland in the counties where your estates lie there are a great many bothies, I believe, are there not?—Yes.

22,676. And you have insisted upon these bothies being built of a greatly improved character?—Yes; to a certain extent I am getting rid of the bothy system.

22,677. You have also insisted where bothies are built, I think, that there should be a separate bedroom for each man?—What do you call a bothy: do you mean a bothy attached to a farm—in the house?

22,678. I meant detached from the house?—Labourers' bothies?

22,679. Yes?—I improve those as much as I can, and build good cottages.

22,680. I read in Mr. Gillespie's report to the Labour Commission that you were insisting upon a separate bedroom for each man?—Yes; those are attached to the farm; those are within the steading.

22,681. I suppose there are a great many bothies there still which are very disgraceful?—I will not say disgraceful, but not as good as they should be.

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22,682. They are rather horrible dwellings. Would not a sufficient number of cottages replace the system of bothies?—I think we are rather at cross purposes. You say that the men have a bedroom to themselves. Those are the herdsmen who live in the steading.

22,683. Then cottages would not accommodate them?—No.

22,684. They would not require cottages?—No, they would not, but I am building on the Scotch property separate cottages—good cottages.

22,685. And an increase in the number of cottages tends to diminish the necessary number of bothies, I presume?—Yes, to a certain extent it does.

22,686. Then if the bothy system is a bad one, as many people seem to think, the substitution of cottages would be a distinct advantage?—No doubt.

22,687. And the opportunity of borrowing money on more easy terms might lead to a diminution in the number of bothies?—Yes.

The Agricultural Holdings Act.

22,688. I think you said that the Agricultural Holdings Act had not been put in force on your estate?—No, it has not, but I have never contracted out of it.

22,689. But I suppose that valuations on that principle have been made as regards manures and feeding stuffs?—On what occasions do you mean?

22,690. When a farmer quits he is entitled to some compensation; I see from the form of your agreement that the manure belongs to the farm, but he would be paid, I suppose, for feeding stuffs consumed?—Yes.

22,691. Would that not be under the Act?—I do not think I have ever been under the Act really.

22,692. You have not had a notice of the intention to claim?—No.

22,693. Then it is settled by the valuers without having recourse to the Act?—When a tenant goes out he appoints a valuer and the incoming tenant has a valuer, and those two valuers decide what is the proper sum to be paid to the outgoing tenant.

22,694. And whatever has to be paid is paid by the incomer?—Yes.

22,695. Then it is entirely confined to manures and crops and tillages?—Hay and matters of that kind.

22,696. It does not include any permanent improvements?—No.

22,697. Then if no notice has never been given to you compensation has not been awarded under the Agricultural Holdings Act, though I presume it should be?—That I do not know—that is for the outgoing tenant to say.

22,698. The Act of 1883 provides that for such things as may be compensated for under the Act, compensation shall not be given by any other means, but it is done, you say, by a simple valuation?—Yes.

22,699. It is so in most parts of the country, though it is an evasion of the Act, I believe?—I will not say that.

Estates in Scotland. Rent

22,700. (*Mr. Gilmour.*) The rental given on the Scottish estates, I suppose, does not include any of the sporting rents?—No.

22,701. It is purely agricultural?—Purely agricultural.

22,702. Have sporting rents advanced there during the last 20 years—during the time given on this table which you have sent to the Commission?—No, I should say not—not on my estate, at any rate.

22,703. Have they remained almost stationary?—Some might have increased a little, but not much.

The letting of farms.

22,704. I do not quite understand how your Grace proceeds to get your new tenant on a man leaving; do not you advertise your farms?—No.

22,705. How do you reach the bulk of the men in the country wanting farms?—If I have a farm vacant there are generally some members of the family who apply to be taken on as tenant. I have let three farms this spring. They were vacant one by the death of an old man; another because the man's health was bad and he wished to go abroad, and I forget what was the reason in the third case. One farm was 32 acres arable with a little pasture, and I had eight applicants for

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that; another was up in the Glenlivet district; that was 60 acres, and there I had five applicants; and for the other one, which was in the same district, I had four applicants. They were not advertised. It was known in the district that they were vacant. Generally speaking, some members of the family want the farm, or, at all events, someone in the neighbourhood.

22,706. In Scotland it is very unusual, I think, not to advertise farms; in the way in which your Grace arranges it, it is simply on the hearsay of the district that people know that a farm is out of lease or to be out of lease?—Yes, I find no difficulty in getting tenants, and generally the tenants belong to the particular district.

22,707. But there is no reason if the landlord advertises his farms why he should not out of the men offering, select, as you do, without advertising, the best man without reference to rent?—I do not like the system of advertising. I think it induces a man to offer more than he can afford for the purpose of getting the farm.

22,708. Will not that be the case, too, when you have these five people who know the farm; are they not in exactly the same position—are they not all anxious to get the farm?—There is this difference: they do not make me an offer; it is I who make them an offer. They come to my factor, and they say, "I understand "such a farm is to be out of lease; I should like to "be the tenant; what is the rent?" Then my man tells them. I fix the rent, and then I select out of the five applicants the man who I think would make the best tenant at my rent.

22,709. (*Mr. Little.*) You do not set them bidding one against another?—No, certainly not; I think that would be fatal.

Reduction of rent.

22,710. (*Mr. Gilmour.*) We have been told here by some witnesses that the solution of this state of depression was a re-adjustment of rents still; would you consider that that was the fact?—I have reduced the rent, and therefore I have given practical reason for thinking that if things remain as they are at present a reduction of rent is necessary, because I have given it myself.

22,711. Then, according as prices fall, you would still have to go on giving these reductions?—If prices fall I certainly shall not be able to put them back to the old rent before the remission.

22,712. Is there any other way in which the tenant can be helped to meet these times than that?—No, I do not know of any but higher prices.

The fixing of rent.

22,713. (*Mr. Clay.*) I have great pleasure in seeing my old chief back on another Commission again. There are only one or two questions I would like to ask your Grace. Regarding what Mr. Gilmour says of the rent, as I understand, you and your factor have always fixed the rent according to what you think, in your generous way of dealing with your tenants, they can get out of the land?—Yes.

22,714. And if you find that even that rent, through depressed times, is excessive, you have always been willing, I know, to consider a re-adjustment again?—Yes.

22,715. That is fair and reasonable between landlord and tenant?—Meetings have been held and resolutions drawn up thanking me for the remissions which I have given.

Reduction of rent.

22,716. If all landlords had dealt with their tenants in the same way that your Grace has very nobly done, I know there would not have been so much depression as there has been throughout the country; that is, if they had considered the re-adjustment of rent according to the depressed prices of agricultural produce, there would not have been so much depression as there is at the present moment?—Of course I should not like to speak for other people. I have thought it right to do it in my own case, and therefore I have done it in order to enable them to meet the bad times.

22,717. We have had it before us that in England, and perhaps in Scotland, the landlords have been a little slow to realise the difficulty the tenants have had in paying the rents owing to the greatly depressed prices of produce; if the landlords had realised that a little sooner perhaps some of their tenants would not have been in the same position as they are at the present moment?—I think it is the duty of the landlord to look into all these matters, and to be the first to make remissions, and not to wait until he is asked to do so.

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22,718. Regarding the Agricultural Holdings Act, I think your Grace said it has not been much used on your estates?—No, I think not; I do not recollect its being put into operation.

The Agricultural Holdings Act.

22,719. If a tenant farmer was leaving a farm and had laid out 300*l.* or 400*l.*, or 500*l.* on cakes and other good articles for feeding, would you deal privately with him or would you put him under the Agricultural Holdings Act?—I cannot say; it would be under the two valuers, and I suppose they would consider what was the right course to adopt. He could claim under the Act.

22,720. In April 1876, when you were in the Government, you said very plainly that the tenants' capital being invested in the soil should be given full protection, and was entitled to compensation?—Yes.

22,721. You have carried that idea out—not through the Act of 1883, but by private arrangement, I understand?—Yes, I think so.

22,722. I think the late Lord Beaconsfield spoke in the same terms; Lord Beaconsfield said, I think very justly, that the tenants should be put into such a position as to induce them to apply capital to the soil, which was good for all classes—you agree with that, I think?—Yes.

Official referees.

22,723. Would it not be as well if you were to refer these matters of manures and cakes under the Agricultural Holdings Act to an official referee—one man—to adjust the matter between the landlord and the tenant?—Practically it often comes to that; you get two referees and an oversman, and the oversman decides.

22,724. The evidence we have had in regard to this Agricultural Holdings Act is that the cost of arbiters and lawyers and other people, with the extra machinery round about, has so heaped up the expenses that the great majority of farmers, especially small farmers, are frightened to tackle the Act?—That is a misfortune, I think.

22,725. It has been proved before us here by several witnesses, and I would like to ask your opinion upon it, that one or two official referees should be named for each county, and appointed or sanctioned by the Board of Agriculture, as experts in dealing with the Act?—I should not think that was a good plan. I would much sooner leave it to the two people—the outgoing tenant and the incoming tenant—to name their own men and appoint the oversman.

22,726. What is the incoming tenant to do with the Agricultural Holdings Act; is not the compensation for these things between the outgoing tenant and the landlord?—I mean the outgoing tenant and incoming tenant.

22,727. But the contract is between the outgoing tenant and the landlord, is it not?—Yes, but the incoming tenant will pay certain things to the outgoing tenant, and those would be decided by the two referees and the oversman.

22,728. But the landlord would first have to put his obligation upon the incoming tenants' shoulders?—He must first. The incoming tenant cannot get in unless he makes some arrangement with the outgoing tenant.

22,729. The Agricultural Holdings Act says it is the value which has been left in the soil which the outgoing tenant and the landlord have to do with; but the incoming tenant is not a contractor at all, he knows nothing about it?—I have not worked it in that way.

22,730. Do you not think that is the reasonable and just way to work it; perhaps you have not considered it from that point of view?—No, I have not gone into that.

Law of hypothec.

22,731. Have you known any difference of opinion or any unjust actions through the abolition of the law of hypothec to either landlord or tenant in Scotland?—I do not know that I have, except that I have been obliged in some cases to fore-rent.

22,732. Have the tenants ever set very much against that?—No. I always thought it was a mistake to abolish the law of hypothec.

22,733. Have the tenants or landlords found any great fault in what you consider a mistake?—I think the abolition of the law of hypothec is rather against the smaller people, who could formerly take farms with a very small amount of capital and so get on in the world—I mean shepherds and men of that class.

22,734. Is it right for even the small class of men, such as shepherds, to take more land than they have capital to carry on with?—They can get their landlord to help them. I know the idea of a great many people in Scotland, and of some of the leading agriculturists at the time, was that the abolition of the law of hypothec was a good thing, because it prevented undue competition.

22,735. You seem to think that previously you were able to give the small farmer more credit for his rent?—Yes.

22,736. Who was his security? Was it not the general trader?—No. The man who went into the farm was enabled to do it, because the landlord trusted him.

22,737. But then the landlord was only trusting his interest on his capital, which is the land?—The landlord knows whether he is safe in doing it.

22,738. The landlord, as the man who put the farmer there, surely would know more about him than the general trader?—I beg your pardon; you mean that under the law of hypothec the general trader was left out.

22,739. Yes?—That is true, and that was one of the reasons given for the abolition of the law.

22,740. You know that the general trader both loses all the interest on his money and his capital which is really put on the land?—Yes, that is true.

22,741. If there were no great fault in abolishing hypothec in Scotland, why not abolish distraint in England at the same time?—I have told you that I was not in favour of the abolition of hypothec in Scotland, therefore I am not in favour of the abolition of it in England.

22,742. Do you not think the landlords create a false competition for the land on the credit system much greater than they would be able to get on the ready-money system?—I do not think so.

Condition of the tenants.

22,743. (*Mr. Giffen.*) Are your tenants generally doing pretty well for themselves with the abatements of rent that you have given them?—Fairly.

Abatements of rent.

22,744. Have the abatements of rent been about sufficient to enable them to make both ends meet and to live?—I will not say that, the remissions I have made I consider fair, and I have had no complaints.

22,745. You do not anticipate that you will have to make further abatements?—Upon my word I should not like to give an answer to that, because until I have to consider the question, and to go into it thoroughly, I should not be able to give an answer.

22,746. I notice that in these tabular statements which you have been good enough to supply the Commission with you still keep the rental up at the old figure. You have not reduced what is called the agreed rental?—No, there is the agreed rental and the remitted rental.

22,747. So that as far as the tenants are concerned they get it in the form of an abatement, but you still apparently are in hopes that the circumstances will be so altered that the agreed rental can again be paid?—Yes, we all hope that, but whether we are likely ever to arrive at that is another matter.

22,748. (*Mr. Channing.*) I should like to ask whether the figure 17,800*l.* is the agreed rental for the whole, including the land in hand as well as the land let?—Yes.

Expenditure on improvements.

22,749. (*Mr. Giffen.*) I should like to ask, with reference to the Scotch estates in particular, whether your attention has been called to column 14, which gives the expenditure on drainage and the allowances for grass seeds and other permanent improvements. I see there is a great reduction in that expenditure from about the year 1882; it very often was about 2,000*l.* annually before that, but now it has become a very small sum indeed?—That was because I had to remit so much money, I could not afford to burn the candle at both ends.

22,750. So that the remissions of rent take the place of this to some extent?—To a certain extent, if you put it in that way. When you reduce your rental by about 9,000*l.* a year it stands to reason that you have not so much money to lay out on improvements as if your rental was not reduced.

22,751. I merely wished to understand what the reason of the change was?—That is the reason.

22,752. I thought perhaps the drainage had come to an end for other reasons?—There is always some going on. I always hope that it will come to an end, but it never does.

22,753. I notice at the same time that the expenditure for new buildings, column 13, has gone on steadily increasing almost from the beginning of the period—that is, from 1872, is that not so?—That has been going on.

22,754. Increasing?—If the figures show it, it is so, but I should not have said so, because I have done a great deal in that since the year 1860, and therefore the buildings that are put up of course diminish the necessity for new buildings.

22,755. As far as I can make out in the first seven years, from 1872 to 1878, you seem to have spent about 27,000*l.* altogether on new buildings, and in the second seven years, from 1879 to 1885, about 40,000*l.*, and in the last seven years, from 1886 to 1892, about 53,000*l.*; the expenditure was very high during the last seven years, 1891 being the highest year. I thought perhaps there might be some special explanation of that?—At this moment really I cannot tell you. These figures have all been before me I know, but I cannot at this moment recollect what is the reason.

22,756. Perhaps you will send an explanation; I think it is rather interesting?—Yes, I will.

Duration of the depression.

22,757. Then according to this statement would it be true to say that depression in agriculture has affected you mostly since about 1883 or 1884?—From 1879.

22,758. In 1879 and 1880 it was very bad, but it seems to have been continuous since 1883 and 1884?—From 1879 up to the present time.

22,759. But your net income—I am looking at the Scotch property in particular—seems to have been larger in 1882 and 1883 than in any previous year?—The remissions began in 1879.

22,760. I am looking now at column 12, and column 12 seems to show that 1882 and 1883 were about the best years that you had in the whole series?—But I was remitting rent all the time.

22,761. But this is after the remissions were allowed off. Your net income was larger in those two years than it was in any other years of the whole series. My question was merely intended to bring out whether you would agree that the continuous depression seems to have affected you since 1884, and not so much before that year?—Possibly not so much immediately after 1879, but I should say continuously since 1879.

Tenure of holdings in Scotland.

22,762. (*Mr. Whitehead.*) Your Grace told us that there had been no changes or very few changes in your Scottish tenantry, I think I understood from you?—Hardly any except by death.

22,763. And many families have been there from generation to generation?—Yes.

Effect of the depression on Scotch and English tenants.

22,764. Has the depression in agriculture been much felt by your Scottish tenants?—Upon the whole I should say not, but they have had a great deal of depression.

22,765. Could your Grace say why they have not felt the depression so much as the Sussex tenants, for instance?—I should not say that they had not felt it. Possibly, I think, they work more themselves and with their families in a great part of the districts, and therefore the Saturday night's labour wage bill does not come so heavy.

Small holdings.

22,766. Would the holdings be smaller on the Scottish estates?—I have given you a list of them; they vary from 10*l.* a year to 600*l.*

Changes of tenancy.

22,767. I think we gathered that there were no really small holdings. May I ask if there have been many changes in your Sussex tenantry within the last ten years?—Not a great many, but some few.

Tenant's capital.

22,768. Have your tenants lost much capital in your opinion?—Yes.

22,769. May I ask since when chiefly?—I should say since 1879.

22,770. Do you think they have lost more capital and are more depressed than the tenants of other properties in Sussex?—That I could not say.

22,771. May I ask when the reduction of 37 per cent. from your rentals began to take place?—27 per cent. up to 1893 and 37 per cent. in 1893.

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22,772. Has there been any permanent reduction since then?—There has been no permanent reduction at all. They are all remissions since 1879.

22,773. Have there been large reductions of rent on other properties in your district?—That I do not know. I can only speak for my own property.

22,774. You do not know what other landlords have done?—No, I do not.

Condition of labourers.

22,775. May I ask what the position of the labourers is in your district?—Good, I should say; they have good cottages, good gardens, and very fair wages.

22,776. Has their position been improved within the last 10 years or otherwise?—I could not say it has been improved within the last 10 years; I think they have been very well off.

22,777. Does the rent of 1*s.* or 1*s.* 6*d.* per week for a cottage include the eighth of an acre garden which you say the cottages have?—Yes.

Poultry farming.

22,778. As to poultry farming, is there any poultry farming on your Grace's farms in Sussex?—No.

22,779. I believe it is carried on very extensively in some parts of Sussex?—Yes, up near Heathfield.

22,780. Has your Grace any experience with regard to it?—None whatever.

22,781. I think hops are not grown in any part of your district?—I am thankful to say there is not an acre of it.

Assessment of rates.

22,782. (*Chairman.*) Has there been any abatement of the assessments or reduction of the assessments for rates in the case of your tenants?—I really could not say.

22,783. The abatements of rent on the Goodwood Estate appear to have begun in the year 1884?—1879.

22,784. First in 1879, then they rose again; then the rents in 1883 and 1884 appear to have been collected without abatement?—That is so.

22,785. Judging from this table that you have sent us, in 1877 and 1878 the agreed rental was about 18,500*l.* and the rent actually received was also about 18,500*l.*; then in 1879 the rent actually received was only 16,700*l.* compared with 18,500*l.*, the agreed rental; then in 1883, according to this statement, the rent collected was 18,500*l.* again?—Yes.

22,786. And that was again the case in 1884, when the rent collected was the amount of the agreed rent?—Yes.

22,787. Then in 1885 it began to fall again?—Yes.

22,788. That is to say, the rent collected fell from 18,500*l.* to 17,600*l.*, and in the next year to 16,600*l.*; in 1887 to 15,800*l.*; in 1888 to 12,200*l.*; then it improved somewhat and for the next four years it was about 13,600*l.* or 13,800*l.*—a difference of nearly 4,000*l.* as compared with the agreed rent. But you do not think the tenants have had the advantage of that abatement of the rent in the reduction of their assessments?—I am not aware that they have.

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22,789. Do you consider that the abatements you are now making are likely to be permanent?—Upon my word I cannot say—it looks very like it.

Land in hand.

22,790. On the farms in your own hand you have made a profit?—Yes, on one I have, but the others I have had to take on in a very dirty bad state, and they will take some time to clean.

Rent on estates in Scotland.

22,791. (*Mr. Channing.*) In further explanation of these tables, I notice that while there is a reduction in the agreed rental on the Goodwood estates there is an increase in the agreed rental on the Scotch estates. What is the explanation of there being an increase in the agreed rental on the Scotch estates—the reduction in the other case is quite obvious?—I imagine that the increase in the agreed rental at that time was because some of the districts fell out of lease and the rent was increased.

22,792. That does not include the sporting rents at all—I think your Grace stated that?—No, it has nothing whatever to do with them.

Rates.

22,793. (*Chairman.*) What is the union in which Goodwood is situated?—West Hampnett.

22,794. Do you know whether in that union the Poor Law valuation has been reduced?—Yes, I think it has.

22,795. I have got a table in my hand showing the variations in the valuation in that union; apparently the valuation has gone down from 94,000*l.* in 1886 to 76,000*l.* in 1891?—Is that one of the tables that I put in?

22,796. No, it is not one you put in; it is one I had prepared at the Local Government Board?—They ought to know about it then; I cannot dispute that.

22,797. It shows a considerable reduction in the valuation of the union?—I think the Government grants that we have had have kept down the rates.

22,798. The poor rate apparently has, in spite of the reduction in the valuation, gone down from 2*s.* 1*d.* in 1884 and 1885, to 1*s.* 7*d.* in 1890 and 1*s.* 10*d.* in 1891, which shows a considerable reduction of charge upon the ratepayers of that district?—Yes.

22,799. I presume, therefore, that the Government subventions have been a considerable relief to the ratepayers?—They have been an advantage certainly.

The witness withdrew.

Mr. W. S. Ferguson.

Mr. William Scott Ferguson called and examined.

Mr. W. S. Ferguson.

22,800–1. (*Chairman.*) You are a farmer residing in Perthshire?—Yes.

22,802. How long have you been farming?—Over 30 years.

22,803. How many farms do you occupy?—Five.

22,804. What is the gross acreage?—About 1,030 acres.

22,805. What is the present rental?—About 1,700*l.*

22,806. What class of farms are they?—All arable.

22,807. Are you also proprietor of one of the largest chemical manure works in the Midland counties of Scotland?—Yes.

Condition of farmers.

22,808. You have, therefore, experience of the financial condition of the farmers of the district?—Too much.

22,809. What is the general condition of the tenant farmers in that district?—They are not well off, and not getting any better off.

22,810. When does that date from?—I should say about 10 to 12 years back.

22,811. Which class of farmers suffer most?—The large and the medium farmers have suffered equally. The sons and daughters of the smaller ones of course save the labour bill, and they do not lose money in the same way as the larger farmers, because their families do the farm work. We have not many large farms in Perthshire—at least comparatively speaking; what we call a large farm is 300 acres and over; a medium sized farm is 150 to 200 acres, and a small farm 100 acres down to 70 acres.

22,812. Anything below that is a small farm?—Yes.

22,813. There the family assists the tenant in working, and he does not feel the difficulty in wages so much?—No; many of the families do the work entirely so that they require no outside assistance at all.

22,814. Do they live upon the farm?—Yes, they live upon the farm. Many small farmers in times past have been able to put their sons in farms from this source; now many of these are large farmers in the district.

Reduction of rent.

22,815. Has there been any reduction of rent in your district?—Yes; I was just taking a note of the reduction on my own farms. One farm for which I pay 520*l.* now was rented in 1876 at 736*l.* 10*s.*; in 1872 the farm I live on was rented at 445*l.*, and my rent just now for it is 360*l.*; then again, another farm where I was born and brought up, my father's farm before me, which I now hold, I remember being 620*l.*, and now I have it at 320*l.* That is the largest reduction on any land I have. Then another one which was 220*l.* has been reduced to 180*l.* I was looking over some more farms in the neighbourhood and talking to my neighbours, and I find that the average reduction of rent in 15 years would be about 20 to 25 per cent. only.

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22,816. On some of these farms you have mentioned the reduction has been very much heavier?—Yes. I think my own reduction comes to more than 15 per cent.

22,817. One of them is nearly 50 per cent.?—Yes. The rent of that farm has been frequently reduced. The 620*l.* was an exceptionally high *grain* rent of many years ago. The fixed rent for several years was 520*l.*; this was subsequently reduced to 400*l.* and is now down to 320*l.* If we go to the other side of the hill to the Carse of Gowrie, the rents have been reduced much more. The clay land has come down far more than the black land.

22,818. When you speak of the average being about 15 per cent. —— ?—I am speaking about the black land.

22,819. What should you put the reduction of the inferior land, the clay land, at?—I do not know so much about the clay land over the hill in the Carse of Gowrie, but the reduction there has been, I think, from 30 to 50 per cent.

22,820. Your present rent appears to average more than 30*s.* an acre?—Yes, I have one farm at 50*s.*, and another at 44*s.*, and another at 34*s.*, and the one at 50*s.* is by far the cheapest. The highest rented one is the only one that is leaving money just now.

22,821. Have you got leases of those farms?—Yes.

22,822. When do they generally date from, different times?—My father's farm dates from Martinmas last, one three years back, and the one I live on 14 years back—my lease expires next year—and another in seven years, I think.

22,823. Have you had reductions of rent pending the leases or no?—I have only got one reduction of rent. I got a reduction of 10 per cent. five years ago, and I got that reduction for three years, and my rent is put up to the old rent again, the reason I assume being that the landlord in making a new bargain wishes to found on the actual rent instead of the reduced rent. I think that would be the reason of it.

22,824. That he has stopped making his abatements in order that he may make a better bargain with you?—Yes, I think so, to found on the old rent for making a new bargain.

22,825. (*Viscount Cobham.*) Is that just for the last year?—No, for the last two years. I am going in my second year to be put up to the original rent.

22,826. (*Chairman.*) Then you have had no, what I may call, permanent reductions of rent on existing leases?—I have never got a sixpence for anything but that referred to.

22,827. That is the only one?—That is the only one.

22,828. And that not a permanent one, but just for three years, an abatement for three years?—That was all.

22,829. Now in your district generally where leases have been in force have there been reductions of rent made or no?—Yes, on the same estate there have been reductions of from 10 to 20 per cent. and up to 30 per cent. according to the circumstances of the individual.

22,830. Pending the leases?—Yes.

22,831. In spite of the leases?—Yes. I understand that there was not an average reduction of rent made over the estate; every case was separately considered. Large farms got a larger reduction than small ones.

22,832. But you did not yourself get the benefit?—I got none. All that I ever have got has been that 10 per cent. off for three years.

22,833. Why was it that you were not favoured in the same way as the other tenants on the estates?—I suppose it was because I have other sources of income.

22,834. You did not depend wholly on your farm, therefore you were held to your bargain; that was it?—Yes; I think there must be something in it.

22,835. When the leases have fallen in has land been generally let at a reduction of rent?—Yes. Nearly all lands have been let at a reduction of rent, up to two years ago when the rents became firmer. The rents were not increased, we could not say increased, but they became firmer than they were.

Demand for farms.

22,836. Does that mean that there was a greater demand for farms?—Yes, a much greater demand.

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22,837. What was that due to?—That is a problem, I do not know; I think probably that farmers are beginning to find out that good land is worth working at a good rent when bad land is not worth having for nothing with the expenses of labour nowadays. A good deal of the second-class land is at a discount yet, I am speaking of our neighbourhood and generally in Perthshire. We have good farms, well fenced and well drained, and good buildings and all the rest of it, in fact, desirable farms, that we can find tenants for.

22,838. In the case of those farms, good land and desirable farms, two years ago the rents were firmer?—Yes.

22,839. And the more reasonable landlord could find tenants with capital?—Yes.

22,840. Were men of capital prepared to go in and take them?—Yes. I might mention with regard to this farm of Ballgavie, which I hold at 520*l.* for over 300 acres, I have had it for three years now; this is my third year. The old tenant wished to discontinue farming, and they could not get suitable offers for it at all, and he agreed with the landlord to keep it for five years at a reduced rent, and at the end of five years there was a scramble for it, everybody wanted it, even in the face of prices of agricultural products getting worse than they were before.

22,841. Even with the reduced prices for all the produce there was a scramble for the farm?—Yes.

22,842. Was that because the farmers of the district have learned how to adjust themselves to the new condition of things?—No, I do not think so. I think it is more on account of what I said that in bad times desirable farms and good farms are worth something, at least there is a chance of making something out of them, when with bad land there is no chance at all. I think that is the reason.

22,843. Are all your farms good land, or have you got some good and some bad?—They are all good. Of course, the land is not all good on the respective farms; there is bad land as well as good, but generally it is very good land.

System of cultivation.

22,844. Has much land been laid down in grass?—No; we have rather just been going in for a wider shift.

22,845. What does "a wider shift" mean?—That is laying longer in grass, but still ploughing it up, letting it lay probably two years longer in grass than usual, but saving labour and the manurial expenditure. We are finding it desirable to do that. In fact I have begun now to work all my land on the eight-shift system; that is three years in grass.

22,846. And the others?—Two green crops and three white crops.

22,847. Is that what farmers are doing?—A great many of them are.

22,848. And that saves in labour and saves in manure?—Yes, and keeps the farm in better condition at a cheaper rate.

22,849. Is it, do you think, due to that experience that there is a greater desire now to take the farms at the same rent?—No, I do not think it is on account of that.

22,850. Not?—I do not think so.

22,851. You find it more profitable to work the farm in this way than under the old system?—I should not like to say it is more profitable, but there is less chance of loss.

22,852. One would suppose that men who are going to a farm, and who take a lease at a given rent, and who are willing to bring capital upon it, expect to make some profit?—I think that most of them who have been taking land lately have just been expecting that the tide would turn in some way or other.

22,853. (*Viscount Cobham.*) But chiefly they diminish the labour bill, I suppose?—The chief thing in that is to diminish the labour bill, and, of course, the manurial bill. The manure bill is one of the heaviest items we have. By using cakes and laying down the land while in grass we do not need to buy so much manures.

22,854. (*Chairman.*) They save both in labour and in manure?—Yes.

22,855. Does that not help them to give the same rent?—It is with that intention it is done, but I would not say it helps us to make the rent in these times; it helps to save us from loss.

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22,856. (*Mr. Everett.*) In your two green crops do you include one potato crop?—Yes, it is this way; three years grass, oats, turnips, barley, potatoes, wheat, and three years' grass.

22,857. (*Viscount Cobham.*) What grass is it, rye grass chiefly?—A mixture of permanent grasses for the three years; rye grasses and clovers and permanent grasses.

Result of farming.

22,858. (*Chairman.*) I can understand these changes helping to make a less loss than you would otherwise do, but one does not quite understand why new men who come in with capital pay the rent unless they expected to make a profit?—They are not doing it.

22,859. I understood that new men of capital were coming in?—It seems natural, but still it is not the case.

22,860. Not the case, what?—That they are making any profit.

22,861. They are hoping to?—Living in hope; but they are not making anything of it. I should be very glad, indeed, if my balance in July shows that I have not made a loss; I take my balance every year in July. Of course it is difficult for a farmer to take a balance—but you can get an approximate balance pretty fairly, and I will be very glad, indeed, if I get out without loss, without counting any interest whatever on my capital. So those who have very little capital—and a great many of them are unfortunately, in that position—are in a very bad way indeed. I believe, and I know for a fact, that a good many farmers who have considerable holdings are in a very bad condition financially in our county of Perth.

22,862. Judging from your own case, the rent is still considerable; a rent of over 30*s.* an acre may be regarded as considerable?—Yes.

Particulars of witness' farms.

22,863. Offering a considerable margin for further reductions if necessary?—But I would like to explain that I have two farms within driving distance of Perth; I have one in particular that everything is sold off; it costs me 2*l.* 10*s.* an acre, and I can make a good profit by it any year. I do not care for agricultural depression there, because the cow feeders come from Perth and buy my straw, hay, and turnips, and I drive back manure. I can always make profit of that. Another one, the next dearest one, is within reach of Perth too, and I sell about half off it, so they are worth a good rent when the same land if it had not the same amenities, if it were five or six miles further out, would not have been worth probably half the rent.

22,864. How near are those farms to Perth?—A mile on one side, and two miles on the other.

22,865. Those farms which are six or seven miles off are not so favourably situated?—No.

22,866. How does the rent of those compare with the others per acre?—Very different. Probably one of the best—well not the best, but as good—that one that I speak of as being reduced from 620*l.* to 320*l.*—is a better farm than the one I live on costing me 44*s.* an acre. But, as I formerly explained, the 620*l.* rental was a high grain rent, and was exceptional; therefore, for purposes of comparison 520*l.* should be taken as the high rent, and 320*l.* as the reduced rent.

22,867. What is the acreage of that?—Close on 300 acres.

22,868. Then that is a little over 1*l.* an acre?—Yes.

22,869. That affords still a margin for reduction if it is not paying its way?—Yes.

22,870. When does the lease of that fall vacant?—As I have mentioned already, I only entered it at the last term. I took over my father's lease of that farm: it was where he lived, and died, and I took over the lease that he had prepared with his landlord two years ago. This is the rent fixed two years ago.

22,871. You were prepared then to enter into a lease for 19 years at that rent?—Yes.

22,872. Were there other applicants for the farm?—No; I merely entered upon my father's lease.

22,873. Your father was in possession; he made a new lease with his landlord and you took it over?—Yes, that is all; there was no competition for the farm.

22,874. (*Viscount Cobham.*) Does your landlord insist upon leases; is it the custom of the estate?—Yes.

22,875. (*Chairman.*) Generally in your district do leases continue to be the custom of the country?—Not so much as used to be—at least shorter leases.

22,876. But still leases?—Still leases.

22,877. What is the shortest?—Five years. I have a 19 years' lease of Ballgavie—that is my largest farm—and I have a break in it at 10 years.

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22,878. Have the difficulties of farmers led to the employment of fewer labourers?—Yes, in that way I speak of, by laying out more to grass and making a wider shift.

Reduced labour and manures.

22,879. What proportion of reduction has that made in the employment for 100 acres, say?—We will take it at 300 acres. On a 300 acre farm it would be a reduction of one ploughman and a pair of horses, with the attendant reduction of field labour as well.

22,880. What would it make it altogether—a reduction of two men to 300 acres?—No, about one man and a pair of horses, which cost fully 100*l.* a year to keep; then there is the reduction on carting manure and buying extra manures.

22,881. Then I understood you that there is a further reduction of labour in cultivating land, did you not say that besides the one man and the pair of horses reduction there would be a reduction of further labour in cultivation?—Yes, it reduces the green crop area by an eighth. Supposing a farm were in equal divisions and working it in eighths that would reduce the green crop area by an eighth; consequently there would be one-eighth less labour required for working it. But that is not the main reason. It is not on account of the labour so much that we go in for this shift as the fact that the land gets in better order and is in a better state of cultivation and you can do with less manures.

22,882. Therefore you save in that?—Yes. That is a greater saving than the labour bill, although the labour-bill is a saving as well.

22,883. What would you say is the total reduction of labour taking into account the ploughman and the reduced employment of labour for cultivating; does it amount to two men for the 300 acres?—No, it would amount to about 130*l.* probably.

22,884. (*Mr. Little.*) That includes horse labour, I suppose?—That is horse labour and hand labour as well.

22,885. Would it be something like a man and two-thirds?—No, a man and two horses.

22,886. That comes to 100*l.*?—Yes.

22,887. Then you say it is about 130*l.*; that 30*l.* would represent about two-thirds of a man's wages?—Yes.

22,888. Or a woman's wages?—Yes.

22,889. (*Chairman.*) You said that there was a saving in respect of manure on your farm of 300 acres?—Yes.

22,890. What would the saving be, in consequence of the adoption of the eight years' shift?—It is very difficult to say what it would be, because the land gets in a better state of cultivation, and the farmer does not need to drive so much solid or artificial manures for his green crops. It is most difficult to say.

22,891. You cannot form any idea what it would be; is it as much as 1*l.* an acre or what?—I could not give any figures for it.

22,892. A considerable saving?—Yes.

22,893. Taking that farm of 300 acres in which you say you have had a reduction of rent from 620*l.* to 320*l.*, you also save 130*l.* in labour?—Yes, compared with what I did spend.

22,894. The cost of a man and a pair of horses and other labour amounting to 130*l.* a year and also the value of the manure?—Yes.

22,895. (*Viscount Cobham.*) But you have diminished your production at the same time?—Yes, of course, you diminish your production of green crop, and increase the area of grass.

Foreign competition.

22,896. (*Chairman.*) What do you consider the depression to be due to?—Foreign competition mainly.

22,897. Low prices due to foreign competition?—Yes; there seems to be no doubt about that, I think.

Bad seasons.

22,898. You have not suffered from bad seasons in your district?—Not so much as other people have. We could not complain on that score. We have not probably had as genial seasons for the last five or six years as have been, but we could not complain on that score.

Prices.

22,899. What is the produce in respect of which the lower prices mainly affected your farms?—Mainly wheat and potatoes.

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22,900. Do you grow wheat?—A good deal. I always grow half of the greep crop with potatoes. It is not suitable for anything else—I mean in this respect that on our black lands you cannot take two turnip crops close to each other. We want to take two green crops in rotation and we cannot take two turnip crops, because there would be finger and toe in the one. We find the best cure for that is to keep a wide shift and keep one crop in potatoes, and although potatoes is not a profitable crop in itself, still we find on our kind of land it is the best preparation for grass.

22,901. Taking the average of years has there been a reduction in the price of potatoes?—Yes, for the last good number of years there has been a good reduction in potatoes.

22,902. What has been the reduction in price?—About 5*l.* to 6*l.* an acre, this year a great deal more.

22,903. How much would that work out in percentage?—I used to get about 20*l.* an acre for my potatoes in fairly good years, and for the last two or three years I have got from 15*l.* down to 10*l.* I do not think I will have over 10*l.* an acre this year for my potatoes.

22,904. They might have been exceptional last year?—They were cheap the year before too.

22,905. (*Mr. Elton.*) Is not there a sudden rise lately in the price?—Yes, quite so, but the stocks are all out. I fortunately, personally, happen to hold a few, but nearly all the potatoes are away. The rise happens when few have potatoes to sell.

22,906. (*Chairman.*) That low price was the low price of last autumn, I suppose?—Yes, and all through the season right up to the frost in the end of May which blighted the new crop.

22,907. Was that due to an exceptionally abundant crop?—I suppose so. I could not state. I cannot tell what it was due to.

22,908. It is not due to importation?—Yes, a good deal is due to that. I believe a good many potatoes come from the Continent and keep down the price in the early part of the year—keep down the price of the home stuff.

22,909. Is there not an export of potatoes from Scotland in good seasons?—We have had a good trade with America for two or three years in a way, but they have put up the duty to such an outrageous price. It is only when prices are very high on the other side that we can get the trade.

Duty on potatoes in America.

22,910. (*Mr. Little.*) There is a very heavy import duty in America, is there not, on potatoes?—Yes. Two or three years ago I think it was about 24*s.*, and we worked a good trade at that time. I understand just now it is nearly double that. I do not know the figures exactly, but I know it was put up considerably. That stopped the trade until recently when there has been a good trade with America in potatoes.

Cost of labour.

22,911. (*Chairman.*) Have you found labour to be dearer than it was?—Yes, about one-fourth dearer than it was.

22,912. As compared with when?—As compared with 20 years ago.

22,913. Comparing it with 10 or 12 years ago, is it so?—The price of labour has been gradually rising for the last 20 years. As compared with 10 or 12 years ago, a man who was receiving 25*l.* a year received 31*l.* or 32*l.* now, that is, of course, along with the perquisites, he gets besides.

Reduced labour.

22,914. That has occurred in spite of the fact that there has been less demand for labour?—There has been a less supply of good labour; we have not a sufficient supply of good labour, and we have great difficulty in getting good farm hands.

22,915. Apparently there has also been less demand for labour?—Yes, but the less demand does not amount to very much after all.

22,916. How is that?—It is only one man probably out of six or seven on these farms that have adopted this rotation, but we have not all done that.

22,917. With those who have this one man out of six or seven seems to be a considerable reduction?—Yes, if it was all over. I am only speaking for our own district, you see.

Condition of cultivation.

22,918. Has there been diminished production through insufficient capital on the part of the farmers?—Yes, but on the other hand there has been increased production by a number of farmers who have capital. They have been considering that the best way to meet bad times has been to get the land into as good a state of cultivation as possible, so that a great deal of the land in Perthshire at the present moment is in a better state of cultivation than ever it was before.

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22,919. What have they done; how has the better cultivation shown itself?—They have been driving more manure to it, using more cakes on it and draining and limeing it more, but principally the improvement is in using cakes and manures.

22,920. Has that been with good result or no as compared with the farmers who are going on the old system?—I would not like to say.

22,921. Have you formed no opinion upon the subject, whether the outlay of capital in manuring has answered or not?—I am not very sure, but during those bad years one would have done best to himself to have held in his hand and not put it on.

22,922. Are they continuing to apply the same extra amount of capital in the way of manure?—Yes.

22,923. In spite of the fact, as you say, that it is doubtful whether the results are satisfactory?—Quite so, waiting for a turn of the tide, I suppose, but that is the fact, and I am very doubtful whether they would not have been better in farming at less expense. Of course if things were to turn a little there can be no doubt whatever that the land in good cultivation and in good heart would give a better return, but I am certain, and I know from my own experience, that I would have been better during the last few years to have taken what was in the land and saved the expenditure on it.

22,924. Have you done that yourself, have you increased your expenditure on manure apart from the changes that you have made in the shift? Should you say that you have relatively increased your expenditure on manure in order to try and make the best of the land?—I have always gone in for high farming, and I have made no difference.

22,925. Have the other farmers in your district, who have not previously gone in for high farming, spent more money upon manures?—Yes, some of them have been doing it better. They have been thinking that that is the best way to meet the depression. But my opinion is, as I have already stated, that so far as has gone I think they would have made more money or lost less if they had held in their hand.

22,926. (*Viscount Cobham.*) Do you think they would have told you if they had made a little profit?—We know pretty well from each other how things stand.

22,927. (*Chairman.*) But they have not gone back to their older system?—No.

22,928. They still go on spending more capital?—They still go on keeping the land in a high state of cultivation. I would say that that applies to the majority of the farmers in our neighbourhood, although there are very many indeed who through insufficient capital and loss of capital have let the farms go down.

22,929. In those cases the land has been deteriorated?—No doubt of it whatever.

22,930. That would appear to be rather from continuing the old system, or have they expended less than they did before?—Not the old system—going back from the old system and having less money and letting the land get out of cultivation.

22,931. Spending less in fact?—Spending less and not devoting so much to labour on the land; letting it get out of condition generally.

22,932. In those cases the land has deteriorated?—Yes, there can be no doubt about it.

22,933. They have lost money still more?—A great many farmers have got into such deep water that I do not think there is any possibility of getting them out of it.

Restrictions.

22,934. Are there complaints in your district with reference to restrictions and methods of cultivation or the prohibition of the sale of certain kinds of produce?—There are complaints in regard to restrictive leases, but my opinion is that there is very little in it, because I think even although they had freedom of cropping most of them would crop not very much differently from the course laid down to them. There is more cause of complaint in regard to not getting freedom

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of sale. I think it is a very great hardship for a farmer, if straw is dear, or if turnips are dear, or if hay gets up to a good price, to find that he has a clause in his lease that he cannot sell any of those. I think that is a very great hardship.

22,935. Have the landlords removed these restrictions during those bad times or no?—In certain cases they have, but on most of the large estates they are pretty much the same.

22,936. (*Viscount Cobham.*) Are you under those restrictions yourself?—No, I would not sign a lease with those restrictions.

22,937. Your case is exceptional then?—Yes.

22 938. (*Chairman.*) Do you sell straw when straw is dear?—I sell it any time, but you must remember that most of my land is within reach of the town.

22,939. (*Sir Nigel Kingscote.*) You bring back manure when you sell out straw?—Quite so; but really on the whole I do not think that farmers far from a station and far from a town would do very much better even although they had freedom of cropping. They would crop, generally speaking, in the way that is laid down for them. Of course there may be individual cases of hardship, but I do not think, generally speaking, that it can be called a hardship at all.

The Agricultural Holdings Act.

22,940. (*Chairman.*) Do you think the Agricultural Holdings Act has been beneficial or not?—It has been a benefit, and it has been the recognition of a good principle; but we are beginning to get afraid to touch it.

22,941. In what way?—There are so many lawyers connected with it. Of course I heard what Mr. Clay asked the Duke of Richmond, and I quite agree with the suggestion he was speaking of there, that it would be far better for everybody concerned if representative practical men in districts or counties should be appointed under Government to arbitrate between the landlord and the outgoing tenant. I think it would be a far better system than the present, and far more satisfactory, at least, to the tenant.

22,942. At present both the landlord and the tenant name an arbitrator and they select an umpire between them?—Yes, but that does not prevent them from getting into the courts after all. I would like some means whereby you could prevent landlord and tenant from getting into court.

22,943. Surely if both landlord and tenant nominated an arbitrator, and those two arbitrators nominated an umpire between them it would not go into court, would it?—Sometimes it does. That is the way it is generally done with the outgoing and incoming tenant. Arbitration between an outgoing and incoming tenant seldom goes into court, but as far as we have seen yet there have been too many cases of compensation in court.

22,944. (*Mr. Elton.*) Surely they are only on points of law, not on quantities of compensation?—Still we get into court and run up expenses, but if it could be done on the same principle as an out-going tenant and incoming tenant, if a referee were empowered to settle the question, it would be better.

22,945. (*Chairman.*) But surely the great bulk of the cases are between outgoing and incoming tenants, are they not?—No, none.

22,946. None?—There are no cases under the Agricultural Holdings Act between the outgoing and incoming tenant.

22,947. Nominally it is against the landlord, but practically the money is paid by the incoming tenant, is it not?—Not that I am aware of. I do not know an incoming tenant who pays the bill. I have not known a case of that kind.

Official referees.

22,948. Your suggestion is that some Government Department should have the power of nominating practical men for the purpose of determining these cases?—Exactly.

22,949. And that there should be only one such man appointed; would you give up the practice of both landlord and tenant nominating a referee?—Probably there should be a few competent men appointed for each county.

22,950. At present practically three men have to do the work?—Yes.

22,951. One on behalf of the landlord, another on the part of the tenant, and then they select the third between them?—Yes; a sole arbiter would be far the best, I think. In fact we are going in very much for that in all references in connexion with agriculture; we appoint a sole arbiter.

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22,952. You are moving in that direction without an Act of Parliament?—Yes, in our private work.

22,953. Have you any other suggestions to make with regard to the Agricultural Holdings Act?—No.

"Improvements."

22,954. Are you satisfied with its definitions of "improvements"?—So far as I am personally concerned I have contracted myself out of them all, through the landlord's schedule.

22,955. Have you made a more beneficial arrangement by contract?—I do not say that; I do not think so either; but I have made a contract that is probably better understood by myself and will be less likely to lead to any difficulty.

22,956. What is the nature of it?—Everything is specified.

22,957. Is it an agreement which might be made general or no, or is it specially adopted only to yourself?—I could not say whether it might be made general or not. I think circumstances might alter cases. I could not say.

22,958. For a general rule do you think the definitions of the Agricultural Holdings Act are on the whole best?—I think the Agricultural Holdings Act is a good thing if it could be properly worked, and it is a recognition of a fine principle; but I would like to see it working better.

Ground game.

22,959. And the Ground Game Act?—That has been a good thing too.

22,960. Is that practically acted upon?—Yes.

22,961. The tenants have the power of killing the ground game?—Quite so.

22,962. (*Viscount Cobham.*) Has it reduced the number of rabbits?—Yes, considerably. Of course some landlords make a special reduction to their tenants on account of the head of rabbits and a number of landlords keep land in their own hand for that purpose to keep them away from the tenants, but as far as I know in our district there is no hardship that I hear of in regard to ground game.

Judicial rents.

22,963. Is there any demand in your district for judicial rents?—No.

22,964. Are you not in favour of them yourself?—I would not like to enter upon that question. I have always been accustomed to making my own bargains, and I would like to continue making them.

22,965. Is that the general feeling in your district?—I do not hear anything to the contrary.

Importation of foreign cattle and foreign breeding.

22,966. On the subject of foreign cattle what have you to say?—I have to say this, that the people in our district seem to have been running wild over this and thinking it would be a cure for agricultural depression, but my opinion is that it would not.

22,967. What would not?—The introduction of any foreign animals to our country. What we want more particularly in our district is to go in more for breeding our own stock. I breed and feed as many as ever I can. Of course I cannot breed all I require, but I breed as many as I possibly can, and I find every year that the ones I breed myself are far better and far more profitable. I very seldom lose money or fail to make a profit on the animals I breed myself. For instance, at the present moment I am selling Irish bullocks at 30*s.* the live hundredweight that I fed all the winter; and that is making no return whatever, they may be clearing their way, but practically that is leaving no return on their keep in the shape of profit; and I am getting as high as 40*s.* a live hundred-weight for my own home-bred crosses just two year olds. I have got as high as 23*l.* for two year olds home-breds this year, and I think that is probably the best paying industry we have in connexion with agriculture in our district. But as I say a great many farmers have given up breeding because they have got into their heads that this importation of cattle was to be a remedy for agricultural depression. But I distinctly hold that it is not the case. We have well-drained, well-fenced country and good buildings, and everything suitable for stock rearing, and in our district at least, of course some districts may be different, it would certainly be a cure in a measure for depression if the men would go in more for rearing their own animals of every description.

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22,968. When you say people are running wild with admitting foreign cattle, do you mean that in your district there is a great feeling in favour of admitting them free?—Yes.

22,969. Your neighbours have not followed your example then in breeding?—Yes, a great many of them have, but a good many are discontinuing the system of breeding, in the hope that they were to get cheaper animals from abroad and they have not got them. But the real movers in the case are not the farmers; it is those who are interested in sending them and selling them here. The farmer does not want them so much as they; they are pulling the wires, but the poor farmers are rising to the fly.

22,970. Apparently from what you say there are a considerable number of farmers who are influenced by these people, and who have made this demand, and, I presume, think their advantage would be in having free importation of lean stock; is that so?—I question whether the farmers have made the demand. So far as I have seen the farmers have been carried along with people who have other interests to serve.

22,971. It seems to imply that the demand comes, in the first instance, from certain of the farmers, but you think they have been put up to do it by other people?—I do not think it came in the first instance from the farmers: I have seen great meetings in our county for the purpose of advocating the introduction of foreign cattle when I knew, and it was very apparent, that the meetings were got up by the magistrates of Dundee, the Harbour Board of Dundee, and people who were sending cattle from abroad, and two or three salesmen. I asked the three principal speakers at one meeting if they had any experience of foreign cattle, and they had all to confess they never had fed one of them in their lives. I asked one of the principal speakers; he said: No I will stick to breeding, and he says that is what made him; the principal speaker advocating foreign cattle declared that in a public meeting. There seems no manner of doubt whatever in a mixed country it would lead to more industrious habits as well and keep medium farmers and small farmers more at home. The farmers in our district, these speculative men, run far too much to markets and sales. If the men who have reduced capital and feel the shoe pinch had to stay at home and look more after their work at home, and the rearing of their own home stock, it would be better. It is much easier of course going to market and buying them, but it does not pay nearly so well. That is my experience.

22,972. Then you think that one of the directions in which there is hope for farmers is that of rearing cattle more themselves?—I speak only for our district.

22,973. And your district is very favourable to the rearing of cattle?—Yes.

22,974. Further you think there should be an extension of this eight-year shift that you have spoken of?—Yes.

Reduction of rent.

22,975. And you also think there should be further reductions of rent?—That is the only thing we have in our own hands. We have no command over the labour bill, we have no command over taxes, and the only thing we have command over is the rent, so if we take the land too dear we have ourselves to blame. If we got a reduction of rent it certainly would help us.

22,976. You have got a considerable reduction of rent apparently. You think you ought to get more?—We used to draw more out of the land in some way, and the only manifestly apparent way of getting it is from the landlord.

22,977. In your own case where the average rent is about 35*s.* an acre there is still considerable margin?—Yes, quite so.

22,978. Then what are the prospects of getting the reduction if, as you say, other men of capital are ready to come in and offer the same rent?—Personally I have no prospects of reduction. I will not seek it because I will try to fulfil my bargain. But I may say that on one farm that I have my rent is 520*l.*, and the landlord refused 70*l.* more from another man; he did not take the highest offerer; if he had taken the highest offerer this man would have been at him for a reduction of rent at the present time.

Importation of foreign cattle.

22,979. (*Viscount Cobham.*) I do not quite understand an expression in your brief. You have had a meeting of the Highland Society of Scotland about the importation of cattle, and it was carried by more than three to one that free admission of foreign cattle would not improve the agricultural situation; and you go on to say "such "is not the opinion of the large majority of Scottish "farmers?"—I should like to explain that That was in reference to a statement by Sir John Leng in the House of Commons. Sir John Leng stated that the introduction of foreign cattle would be a great means of removing the agricultural depression, or words to that effect, and that feeders of cattle lost 5*l.* a head by not getting them in. He said that they made 5*l.* more per head off Canadian bullocks than they did off home ones. A gentleman at the board brought up this matter yesterday—Mr. Martin. He said it would not be right for the Highland Society to let this statement go unchallenged, and he asked the Highland Society, as representing Scotch agriculture, what was their opinion. Now I happen to be a director of that society, and I was at that meeting yesterday; and if they represent Scotch agriculture at all—and Mr. Gilmour knows, for he is a director of that society—that is our opinion.

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22,980. That foreign cattle would not improve agriculture?—That foreign cattle would not improve the position of agriculture, neither is there profit to be got out of them as stated.

22,981. (*Mr. Channing.*) Was that generally stated or was it worked out in figures?—I cannot tell; there were figures given—the most outrageous figures I ever saw.

Leases.

22,982-3. (*Viscount Cobham.*) When you renewed the tenancies of your various farms, were you practically obliged to take leases or was it at your own option that you took them?—I could not have taken a shorter lease, but I could have got some breaks if I had wished. I could have got if I had liked a break probably at five years and another at 10.

22,984. But you have not done so?—I did not want it.

22,985. You were quite content to go on under the system of a lease?—Yes, because I hold that no man can do justice to himself or to his farm or his system if he thinks he might be removed at the end of five years.

22,986. Do you think that farmers in Scotland who are afraid of taking leases are now mistaken, and that it would be better for their own interest if they did take leases?—I do not know about that. If a man has made a bad bargain five years would be long enough.

22,987. Or one year?—It is a thing you must take your chance of. As I have already stated, there is no use in taking such a short lease of land—you must rather take your chance of it. At least that is what I would do. I have entered on one of my farms just now for 19 years without a break at all. That is the farm which my father was on. He had made a lease two years before he died, and when he died, just shortly before he was entering on his new lease, I took it over, so I have entered on a 19 years' lease.

22,988. You think that a man ought not to farm at all unless he sees his way to taking the good and the bad together for a number of years?—I say he must take his chance of the times if he wants to do justice to his farm and to himself as well. He cannot do that in five years.

22,989. Are all the farms on the estate on which you hold let on lease without exception?—Yes, the whole of them.

22,990. And is there good competition for them?—For some of them, for the good land, but principally for the good land; there is not so much competition for the bad land.

22,991. But the bad land alike with the good lets on lease?—Yes, it lets on lease.

Importation of foreign cattle.

22,992. (*Sir Nigel Kingscote.*) As regards the importation of foreign cattle, you have expressed the strongest opinion against it; has the risk of importing disease anything to do with that opinion?—No, I will not enter upon that question. I have dealt with it purely as a question of whether it would improve the agricultural position; I hold that it would do the reverse.

22,993. You do not wish to express any opinion about the disease?—No, but I have opinions about it.

22,994. You would rather not give them?—I would not like to enter on that ground.

Sale of cattle by auction.

22,995. As regards the sale of cattle with you, is that done by auction or by private contract generally?—By

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both, but too much by auction. There is too much gambling in cattle.

22,996. In what way?—In selling them so often at the auction marts. We have, probably as you are aware, the largest centre for the sale of cattle and sheep I suppose in Great Britain—at least in Scotland. A great deal of gambling goes on there, and even where there is no gambling it is quite possible for animals to pass through the salesmen's ring four or five times before they come to the butcher.

22,997. Who gets the worst of that—the farmer, that is the producer, or eventually the consumer?—I do not know who gets the worst of it, but the salesman always gets his commission.

22,998. Then what you mean to say is that in your opinion there is too much lost between the producer—that is, the farmer—and the butcher; there is a great difference in the price from one to the other?—That is not what I mean. If an animal has been sold at various stages of his life, five times we will say, before he reaches the butcher five commissions have come out of the farmers' hands and gone to the auctioneer. I have known them sold three times in a day at three different sales in Perth, and then there have been three commissions in one day out of them.

22,999. (*Mr. Little.*) In addition is there not a loss of flesh on these cattle every time they are exposed?—Yes, no doubt, with a loss on the railway carriage besides.

23,000. (*Mr. Giffen.*) What is the usual commission?—4*d.* in the £1.

23,001. (*Mr. Lambert.*) So much as that?—Yes.

23,002. (*Sir Nigel Kingscote.*) Is that the usual tariff?—I believe some large dealers have a special arrangement, but I have never heard of anything less than 3*d.* The usual charge for a farmer is 4*d.*

23,003. Does that include any market dues or tolls?—Nothing.

23,004. Simply the auctioneer's per-centage?—Entirely.

23,005. (*Mr. Lambert.*) Do the auctioneers free all market dues?—I do not think they pay any market dues, the railway companies do that.

23,006. The farmer does not pay them extra—in addition to the 4*d.*?—The farmer pays nothing but his commission and probably a small custom due, if he happens to be driving animals into the town instead of coming up by railway. The custom due amounts to very little.

Railway rates.

23,007. (*Sir Nigel Kingscote.*) Have you anything to say as regards railway rates; have they gone up or down in your part of the world for agricultural produce?—They have gone up. I have a statement here to show the local difference of rate for small farmers carrying tons to Perth from 10 to 12 miles out, but I noticed after I got this statement made out that my clerk has written on it that these rates have nearly all been modified, so I will not put the statement in. The railway companies, although making these rates their legal charge, have modified them all. I do not think there is so very much in it after all when one looks into it now. Practically it is dearer, but it is not much to count on.

23,008. Does that apply to goods or to cattle?—This applies to tonnage—to manures.

23,009. Or feeding stuffs?—Yes.

23,010. As regards the rates for cattle or sheep, have they increased or not?—They have been increased at the same ratio.

23,011. (*Mr. Channing.*) Can you state the ratio?—No, that is what I wished to do, but I see since I got this that the clerk says they have been modified by the railway companies. This statement gives the actual charge, but then it is no use to take advantage of that because the railway companies have given it us back.

23,012. (*Mr. Lambert.*) In your brief you speak of "railway rates by which foreign produce is carried so "much cheaper from sea-ports to centres than from "local inland stations"?—Yes; although I am not prepared to speak to that in detail or to give you evidence upon it, it is a pretty well-known fact that foreign produce is carried at a much cheaper rate from sea-ports to centres than we can get it from inland stations.

23,013–4. Have you any definite instances to bring before the Commission?—No, only one. A friend of mine was sending me cattle to London from Perth, and he found it was cheaper to rail them to Aberdeen, a distance of 70 miles, and re-book them there and send them back again.

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Laying land down to grass.

23,015–6. (*Mr. Whitehead.*) What are the grasses in the mixture of grasses used for the three years?—Mostly perennial rye grass, Italian, cocksfoot, and timothy.

23,017. You have cocksfoot?—Yes; we believe greatly in cocksfoot.

23,018. Could you give me the proportions?—I could give you the proportions of what I laid down a field with the other day; one bushel of perennial; a quarter of a bushel of Italian; the same of cocksfoot; and 2 lbs. of timothy, along with 6 lbs. of red clover, 6 lbs of white, 2 lbs. of alsike, and 1 lb. of yellow.

23,019. Do you find that the clovers are worn out at the end of the time or after two years?—All but the white clover.

23,020. So that you get a depreciation of the pasture at the end of the three years—a marked depreciation?—Under good cultivation it is not depreciated. If land is not in good condition it will be depreciated by the end of three years; but where it is kept in good cultivation in many cases the value of it has increased at the end of the third year.

23,021. (*Mr. Little.*) Do you mean the value of the herbage, or the value of the land?—The value of the herbage.

23,022. (*Mr. Whitehead.*) Does not the land become very foul and unworkable from the rye grass?—No.

23,023. Not after so long a time?—No, not where it has been well cleaned. Of course under three years grass the land must be well cleaned before the grass is sown down, but where it has been well cleaned, and in good cultivation, there is no difficulty with it.

System of cultivation.

23,024. Then it would come into wheat at the end of the grass?—No; after the grass it comes into oats, then after that turnips, then barley, then potatoes, then wheat, and then it is sown down again; or, according to the fancy of the farmer, he might begin with the wheat and end with barley.

23,025. Is that practice largely adopted in Scotland can you say, or only in your own district?—I think it is very much adopted all over the country.

Disease in turnips.

23,026. With regard to finger and toe in turnips, which you say would prevent you from growing two crops of turnips consecutively; have you tried any remedies for finger and toe?—I have tried lime and subsoiling; that is all I have tried.

23,027. Have you found lime efficacious?—Yes, in a certain measure; but the real remedy is a wide shift.

23,028. Is that always effectual?—Yes, always.

23,029. (*Mr. Lambert.*) Do you attribute it to over-cropping?—To the nature of the ground more particularly. With some lands again they can grow turnips much oftener than we can.

23,030. (*Mr. Whitehead.*) Do you consider that it is the absence of lime in the soil which makes finger and toe more prevalent?—It is a ticklish question. We are trying some experiments about it under the Highland Society, and I would not like to say. The only remedy I have is the wide shift.

23,031. It is a very important question, is it not?—It is a very important question, in fact if we had the question solved, we might at once get out of this speculative business of growing so much potatoes, which we cannot do just now, for we must grow potatoes for the sake of our rotation.

Cattle breeding.

23,032. May I ask you what breed of cattle you breed yourself?—I breed polled Angus Aberdeen cattle; I breed pure breds, but I am not speaking of them at all in connexion with mercantile cattle. The larger proportion of my cattle are crosses. I breed from 30 to 40 or 50 black polled crosses every year out of crossed cows, or Ayrshire cows.

23,033. You said you find them much superior to Irish cattle?—Yes, different altogether.

23,034. Are not the Irish cattle very good in these days?—No.

23,035. Are they not chiefly shorthorns?—They are no good at all.

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23,036. Your experience must be different from my own; in my county we find Irish cattle very desirable animals, and they have been vastly improved in the last few years?—I will tell you what I did. I bought fifteen Irish bullocks in the autumn, and I sold them the day before I left to come here at 19*l.* 10*s.*, and I put them in at 14*l.* They have been feeding all the winter; they have grown great, big, long brutes, and I have sold them at 30*s.* a hundredweight. They are not the quality of beef that we want at all. As I have told you, I am getting for my own little black ones 40*s.* a hundredweight.

23,037. (*Mr. Everett.*) Is that live weight?—Yes. We count by the live hundredweight now; it is the best way to count it.

23,038. (*Mr. Whitehead.*) You say your district is very well suited for breeding cattle?—Yes, very well indeed.

23,039. There are a great many districts in Scotland, are there not, which are not so suited, where cattle cannot be bred, in fact?—I think the bulk of Scotland, if you keep away from the Carse land, is equally suitable for rearing cattle.

23,040. The bulk of it?—I think so as far as I have seen.

23,041. Therefore there is no occasion to introduce Canadian cattle, or any other cattle?—None whatever.

23,042. You think it is a fact that the greater part of Scotland is suitable for breeding cattle?—Yes, I am sure of it. We breed the best cattle in the world, and of the best quality, and we get the highest prices for them.

23,043. And that is applicable to Scotland generally?—Yes.

The marking of foreign meat.

23,044. Have you anything to say with regard to the sale of imported meat as home meat—I see that is mentioned in your brief?—We consider it a hardship that possibly a Canadian carcase may be sold any day for a home-bred one. That is all I have to say to that. We consider it a hardship, and we think it should be remedied.

23,045. Would you suggest any remedies for that state of things?—The law ought to take it up, and see that no man sells foreign meat for home meat.

23,046. That it should be distinctly marked as such?—Yes; the only way to get at it is to have shops for both.

Leases and variation prices.

23,047. (*Mr. Giffen.*) You think that a lease for five years is too short, because it does not enable you to get the benefit of your system?—Quite.

23,048. But in having your lease for a longer period, do you not make some calculation of what prices will be; do you assume that prices are to be the same, or are to go up or to go down, or do you make no calculation at all?—I never form an assumption in that way of what prices will be in laying down my rotations, and I do not know anybody who does. I lay out the farm in divisions, as I think most suitable for general cultivation. I do not think anybody can lay down a rule for prices.

23,049. Would not the prices you are likely to get affect you in your estimate of what the profit from your lease is going to be?—Yes.

23,050. Supposing you thought prices were going down on the average 10 per cent., you would make a different offer of rent from what you would make if you thought they were going to be the same, or were going to go up 10 per cent.?—Yes; but suppose I got a farm with half of it green crop, in potatoes which are down in price, if I take the risk and responsibility of shifting that rotation, it takes me a number of years to get it altered, and then by that time potatoes may be up again.

23,051. Then you would make no calculation of prices?—No.

23,052. Then you think it would be impracticable to make any calculation?—I do; I do not see how it could be done.

23,053. But surely it must affect the prospect of the next ten years, whether agricultural prices are going to go up or not?—Yes; but you must farm on a mixed cultivation; you cannot grow crops continuously. I have grown one small field of barley continuously for 15 years, just as an experiment; but that is purely an experiment; and it has not been profitable. In laying down a farm you must go in with the customs of the district. I never thought about laying it down for any other system.

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23,054. Suppose that prices on an average were going to go down, that whatever you did you were going to have a less return in the next ten years than the present prices give, would that not affect your calculation in taking a lease?—Yes, in taking a farm certainly. Of course, in growing white crops you have the opportunity every year of making up your mind whether you are to sow wheat, or oats, or barley.

23,055. That is as between two different articles?—As between three different articles.

23,056. Supposing they are all going down or going up, as the case may be?—If they were all going down you would not be any better, because you would have to sow one of the three—for the sake of your rotation you must put in one of the three.

23,057. You must make a calculation, when you take a lease over a considerable period, what prices are going to be—that is one of the most essential points, surely?—No, I always just look at it in the aggregate.

23,058. Then you have no calculation just now to offer us as to what the course of prices is likely to be in the next few years?—How can I?

23,059. (*Mr Clay.*) To follow up that argument, I suppose you have first to take your chance of these three cereals like other people?—Exactly.

23,060. And if wheat, as it is just now, looks to be a very bad paying article, you would grow less of it and a little more of the corn which is of a higher value?—That is exactly what I have done this year. I have not a third of the wheat I used to have; I have put in oats and barley instead.

23,061. If a farmer were to jump up and down speculating on the better price of cereals he would get very far adrift?—Yes, you are tied to the green crop. As I have already pointed out, you are tied to potatoes, because you cannot put in turnips where turnips have been before, or to beans probably, but we do not grow beans.

System of cultivation.

23,062. Your object in having the three years of grass is to improve the condition of the farm by the use of cake?—Yes.

23,063. That is the cheapest mode of conditioning the land, is it not?—Quite so.

23,064. Thereby you will save; but you did not condescend to a figure when the Chairman put it to you?—No, I cannot.

23,065. You will save on the green crops about 1 cwt. or 2 cwt. of manure, will you not?—You would save more than that.

23,066. If you save 2 cwt. of manure at 5*s.* 6*d.*, that is 11*s.* per acre?—Yes.

23,067. That is a considerable saving, is it not, over a green crop?—Yes, but you lose your crop again.

23,068. What do you consider in money value you save by running your farm with the three years of grass?—You save, in the first instance 120*l.* in labour, taking a 300 acre farm, and then you have a corresponding saving in manures.

23,069. To what extent—that is what I put to you?—If it is an eighth of your green crop you will have an eighth less of green crop break.

23,070. You say, in the first place, you save from 100*l.* to 120*l.* for labour and a pair of horses?—Yes.

23,071. Then you save a woman or so?—Yes.

23,072. Or a boy or two?—Yes.

23,073. Amounting to what?—I take it in the aggregate at 130*l.*

23,074. Then you save 2 cwt. of manure?—I give my turnips about a ton an acre

23,075. Of what?—Of phosphatic and other manures.

23,076. What money value do you put that at, because that is what we want to be at?—My turnips cost between 4*l.* and 5*l.* an acre in manure; that is where I grow them without dung and with artificial manure alone.

23,077. What would be the money saving per acre?—You have all that saved at any rate; but then, of course, you want your crop. It is difficult to tell what the saving would be in the end.

23,078. Cannot you give it a name; would you save 200*l.* all over on your labour and your manure account?—It would be an advantage of 200*l.* I think to a farm of

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that size, at any rate in regard to the general cultivation, and the getting it in good order at a cheaper rate.

23,079. (*Mr. Lambert.*) Then what would you put the value of the crop at that he would have produced had he spent this 200*l.*?—The extra crop would be worth probably 50*l.* to 60*l.*, but that is not the way I would look at it all. This is a thing that cannot be well reduced to figures. It is the general working of the land that I look at—working with a less expensive shift, and lessening the labour and manure bill, and saving your pair of horses. I am looking at the thing generally, but it is not satisfactory to reduce it to figures.

23,080. (*Mr. Clay.*) At the same time when that land in three years is ploughed up again, it works freer and is more pliable for cultivation, is it not?—With us it does not matter for that because it is always in that condition, so it makes no difference for that.

23,081. But there are poorer lands further up in the hillside away from you which are greatly benefited by three or four or five years grass?—Yes, greatly benefited.

23,082. Thereby the land becomes freer to work?—Yes.

The Agricultural Holdings Act.

23,083. With regard to the Agricultural Holdings Act, I think you agree in its principle?—Yes.

23,084. But the variation of procedure under the Act is expensive?—Yes, and risky.

Official referees.

23,085. You see no use in employing two men as arbiters, and then an oversman, where one official referee would do?—Quite so.

23,086. Would you have an official referee in each county to be named by the Government?—An official referee with power in difficult cases to call in one responsible person. He should be empowered to get advice from a neighbouring referee; in ticklish cases the responsibility should all be thrown on one man.

23,087. If it happens to be a point of law he can take counsel's opinion on that case and decide accordingly, can he not?—Certainly.

Claims and counter-claims.

23,088. The Chairman asked if you had any other matters to bring forward. In Scotland I think we have four months for the tenant's claim, and a shorter time for the landlord's claim; would you propose that the claim should be given in on the same day?—I think that would be reasonable, although there is not much in it at any rate.

23,089. Is there not something in this; when the landlord sees the tenant's claim he is apt to make one himself?—Yes, there might be that.

23,090. So that if both were on the same footing —— ? It would be manifestly fairer, no doubt.

Cattle breeding.

23,091. Regarding the breeding of cattle; the demand for cattle could be met, I think you very justly said, by breeding more cattle?—Yes.

23,092. If a tenant was breeding 20 per cent. more, and feeding 20 per cent. more, would not the supply and demand equalise themselves?—Yes; breeding 20 per cent. more, and feeding 20 per cent. less.

23,093. Would you not think the tenant farmer now has got rather—I do not say lazy, but something like it—that he does not go in for the breeding as he used to do in the old days?—That is what I emphatically say and think. It is the great cause of complaint that we have against our farmers in our neighbourhood.

23,094. If the farmers were to remain more at home and went less to market that would be more profitable?—There is no doubt of it, but you would get blackballed if you said so.

23,095. The home-bred cattle is of 20 per cent. more value than these Irish cattle, I think?—That is the absolute fact. I sell all my cattle by the live weight now, at least I do not actually sell them by live weight, but I know the live weight. In the case of all the cattle I sell I get the live weight sent to me by my man so that I know actually what we are selling at. I know there has been 10*s.* difference in the live weight of Irish bullocks, and of my own home-bred ones this year taking them all round.

22,096. Breeding cattle and feeding them is better than buying Irish cattle for paying the rent?—Yes.

23,097. Or Canadians?—Yes. I have never been wrong with breeding and feeding cattle.

23,098. (*Sir Nigel Kingscote.*) Would you like to see all cattle sold by weight?—Certainly; distinctly.

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23,099. (*Mr. Channing.*) Compulsorily, by law?—Yes.

Sale of live weight.

23,100. (*Mr. Lambert.*) Would you make it a law that no man should sell any cattle except by weight?—I would not say that. I would not like to interfere with people in that fashion.

23,101. That is the substance of your former answer?—I would not like to interfere with individuals in that fashion. My answer more particularly referred to public sales.

23,102. (*Sir Nigel Kingscote.*) Do you think it would be to the advantage of a tenant farmer if cattle were sold by live weight more than they are at present?—It would be the fairest plan. Since I have begun to know the live weight of my cattle when selling them I would not like to do without it, because it gives me a guide to the value of my animal better than I ever got before. Even the best judge is many a time deceived with the weight of his animal. I think the best argument in favour of selling by live weight is that the cattle buyers are very much against it.

The law of hypothec.

23,103. (*Mr. Gilmour.*) I suppose one of the reasons of these cattle passing through the mart so often is that the auctioneers are really advancers of money to a great extent to the tenant farmer?—Yes. That is another thing I would like to say in regard to the law of hypothec. I heard the Duke of Richmond speaking about that. Probably the law of hypothec gave an unfair advantage in a certain way, but its abolition has certainly been a disadvantage to the farmers. I was better off under the law of hypothec than ever I have been out of it. In fact if it had not been for that law of hypothec I do not think my father would ever have got a start, because he started with only 100*l.* Another thing, we never know just now when a farmer's property belongs to him. Since the abolition of the law of hypothec the whole stock on the place may belong to the auctioneers. On one occasion, not very long ago, I was valuator of a bankrupt estate and I valued 200*l.* worth of bone meal that had been delivered a fortnight before by myself. The auctioneers came and took away every beast in the place and they had been there for 10 months. Now under the law of hypothec that could not have been done. So that the removal of the law of hypothec has not been an unqualified benefit.

23,104. (*Mr. Clay.*) Are these not exceptional cases?—Fortunately they are exceptional cases because so many of the farmers have not gone to the wall yet; but it is the fact that we do not know whom the stock belong to.

23,105. Was it not a known case before that the landlord could take that bone and manure and leave the general trader out in the cold?—That is quite true, but then you had better means at that time of knowing how the farmer stood than you have now. You may think him a wealthy man with all his fields covered with animals ostensibly belonging to himself, but perhaps not a beast belongs to him.

23,106. Is the general trader not entitled to that protection, in justice to all parties?—The justice of the case would be that no transaction of the kind should be done unless it is published.

23,107. (*Mr. Gilmour.*) Is it not the fact that in several parts of Scotland just now there is very keen competition for farms?—That is so.

Reduction of rents.

23,108. In that case how do you expect to get a reduction of rents from landlords if that is one of the remedies for the depression?—Farmers are not a business class of men as a rule; they go and offer any rent for land with the hope that they may go to the landlord in a few years complaining, and that they will get it down then.

23,109. Then I suppose in that case the only antidote to that would be for landlords now to refuse all reduction of rents on leases commencing at this time?—That would be the business way to look at it.

23,110. Do you think that would work its own cure?—Yes, it will ultimately no doubt. But landlords are taking good care now, they are not letting their farms to men of straw; they like to see what kind of banking account farmers have before they give them a good farm.

Freedom of sale.

23,111. There are many cases, as I daresay you know, where they have freedom of sale in your neighbourhood,

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and where men can do what they like with their land?—Yes.

23,112. Are those men in a better position than those tenants who have not that privilege?—Yes, undoubtedly; not from that cause alone, but because where they have freedom of sale the amenities are better as a rule, and they have the market at their hand. As I was explaining before, although a great many men have freedom of sale, yet if they are far from a station and far from a town it would not benefit them so much.

The Agricultural Holdings Act.

Official referees.

23,113. You were speaking about one umpire dealing with the matter under the Agricultural Holdings Act, and I judged that you went a little further than some. The idea has chiefly been to leave it, I think, to one umpire. Of course any man can consult a neighbour upon any question privately, but would you have it that there should be two men called in to decide these matters?—No, one should be held responsible; but in ticklish cases with another to work with him you have seen many a case that you would not like to settle on your own responsibility without consulting someone else. However, if the umpire had the power to get information from anywhere that would meet it.

23,114. Naturally every man who takes up a thing is quite entitled to go and ask for any advice from any professional gentleman or friend of his, I suppose?—Yes.

23,115. Would that meet your case so as just to have the one umpire?—Yes, it would. When I spoke of advice I thought of how I would probably act myself; I was looking at it from the point of view that if I had a ticklish case to deal with I would consult somebody who knew as well as I did, in order to confirm my opinions.

23,116. But those questions that would be referred to you, except perhaps legal questions which might be ticklish, and upon which I understand you would be quite willing that there should be some appeal ——?—My opinion is that a sole referee should take whatever legal or other advice he considers necessary and decide accordingly.

23,117. On matters of fact, if you were nominated by the county council, you ought to be perfectly competent to deal with them?—Quite.

23,118. Do you consider the county council would be the right party to nominate those gentlemen in the district?—I do not know who would be the best; probably they would. The county council is the most representative body, but that is purely a matter of detail which I would not make suggestions upon.

Valuations.

23,119. In making valuations under the Agricultural Holdings Act, have they been carried out upon the principle that it was the value of the improvement to the incoming tenant that was allowed, or have the valuations been chiefly based upon the expenditure?—Both, in a certain measure, but mostly on the expenditure.

23,120. The other basis has not been found very workable then?—No, it has not been found very workable.

23,121. Have you been able to separate the inherent capabilities of the soil in dealing with that matter as a valuator?—No.

23,122. And you have not taken that into account?—No; knowing the holding, I have taken into account a general improvement, but that is not very satisfactory either.

23,123. (*Mr. Little.*) Knowing the soil, I presume?—Just general improvement—an indefinite general improvement, which is not very satisfactory on the whole.

Rates.

23,124. (*Mr. Gilmour.*) Of course, where you have had reductions and abatements the tenants have had the benefit of them in the rating?—Mostly.

23,125. Have you any change to propose?—I think the tenant farmer suffers a hardship in regard to his rates. I pay in rates on my whole holding about 100*l.*; that includes the whole assessments for consolidated rates, poor rates, &c. Now a great many of my rich neighbours who do not have farms, and have larger establishments and all the rest of it, only pay on the rental as well. To charge a farmer on his rental for income tax is not fair. I tried to get it back once, and got a reduction for three years, but it is not worth the candle after you have gone to all the trouble of getting it back. We feel it a hardship to have to pay income tax for an income we have not got. I think the farmer is not properly rated. Because his rental is beyond the sum that is allowed to be taxed for income tax, that is no proof that he has an income or that he should pay income tax.

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Poor rates.

23,126. Have you ever looked into the matter with a view to ascertain what proportion of the inmates of poor houses have been connected with the agricultural interest?—I have never looked at it particularly, but as a member of the district lunacy board I know that a very good proportion of them come from the rural districts.

23,127. You are talking of the lunatic asylum?—Yes; they come from the agricultural population.

23,128. In Perthshire?—Yes.

23,129. But I mean the poor that are paid for under the poor rates; the inmates of the poor house, not of the asylum. As a rule, are those purely employed in agricultural pursuits the chief inmates of poor houses?—No, certainly not.

23,130. In that way you would look upon it as hard that the land should bear those poor rates altogether?—Yes. I will not speak from a landlord's point of view, I am only speaking from a tenant's point of view; I hold that in regard to poor rates and school rates, and all those consolidated rates, the tenant farmer is unjustly taxed, being taxed on his rental. There should be some other method of taxing, because now he pays more than his proportion compared with what other people pay.

23,131. (*Mr. Lambert.*) Where do the inmates of the poor houses come from if they do not come from the agricultural districts?—The villages.

23,132. What operations are they engaged in?—They are weavers and people of that description.

23,133. You mean people engaged in manufactures really?—Yes.

Malt tax.

23,134. (*Mr. Gilmour.*) Have you considered the question in regard to the repeal of the malt tax, and the effect that it has had upon the price of good barley in Scotland?—It has had a very great effect on our barley growing district. Whether it is due to that or not, as soon as it was repealed the barley fell 10*s.* a quarter, and has never got up again.

23,135. (*Mr. Everett.*) Did not wheat and oats fall also?—Not through that; the oats have not fallen.

23,136. What makes you say it is through that that the one grain has fallen, when the other grain to which that would not apply has fallen still more?—It was immediately on the repeal of the malt tax that the barley fell.

23,137. And the wheat fell also a great deal more, did it not?—The wheat did not fall at that time.

23,138. I think you will find it did and much more?—Of course, the one was due to one cause, and the other was due to another; one was due to the repeal of the malt tax, and the other to foreign competition.

23,139. (*Mr. Gilmour.*) You are a member of the county council of Perthshire, I think?—Yes.

Small Holdings Act.

23,140. Has that council put into working the Small Holdings Act?—No.

23,141. Because why?—I suppose it has never been required.

23,142. There is no demand?—There is no demand for it, as far as I know.

23,143. (*Mr. Little.*) You said you had contracted out of the Agricultural Holdings Act; did you mean that your agreement compensates you for improvements in the third part of the schedule?—I have a schedule of compensation.

23,144. I do not know whether your Act is the same as ours, with the first schedule divided into three parts?—Yes.

Agreement for compensation.

23,145. You have made an agreement for compensation under the third part?—Yes.

23,146. But not under the first and second?—No.

23,147. You have not contracted out of the Act as respects them?—No; it is just the proportion that is to be allowed.

23,148. You prefer a definite scale of compensation to the risk of arbitration?—Quite so.

23,149. Do you think that the farmers generally are better satisfied with that?—I think so; most of them are adopting it in that way.

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'Inherent capabilities of the soil."

23,150. You said, I think, that you did not take into account the inherent capabilities of the soil; or that there was a difficulty in doing so?—I do not know what that means.

23,151. Would you say that the application of lime to all descriptions of soil was of the same value, or that it lasted for the same period?—Lime is of value to any soils that I have had anything to do with.

23,152. Is it of the same value to all soils?—No.

23,153. Does that not introduce the question of the inherent capabilities of the soil?—Yes, surely.

23,154. Therefore it must come into the calculation?—Yes.*

Labour. Decrease of rural population.

23,155. The Chairman was asking you how it was that the price of labour or the cost of labour had not diminished much, though you had altered the system of cultivation; is it not that the wage earners, the labourers, have decreased to a greater extent than the decrease of employment?—When trade was good the good men with large families who used to be on the farms went to the towns; their families grew up, and probably part of them went to employment in the cities, and part of them came back; but they were not good labourers when they came back.

23,156. The decrease in the number of labourers began before the changes in farming, did it not?—Yes, distinctly.

23,157. They distinctly decreased in number before the farmer had begun to reduce his labour?—Quite so. The alteration of system has nothing to do with the scarcity of labour to my mind.

23,158. The depopulation was not due to want of demand for labour, but the change in farming was due to a deficient supply of labour?—I would not like to say that the change of farming has been due to the want of the supply of labour.

23,159. Well, to the increased cost of labour?—Quite so.

23,160. You altered your system of farming because of the cost of labour?—Yes, in a great measure.

23,161. And that cost is increased by the decrease in the number of hands?—Yes.

23,162. Therefore, the change in farming is, to some extent, due to the decrease in population?—Indirectly if you count it in that way.

23,163. The decrease in population is not a consequence of depression in farming, but the alteration in the system of farming is, to some extent, due to the decrease in population?—Yes, if you look at it in the way of increasing the price of labour; but that is looking at it in a very abstract kind of way.

23,164. The population of your county has not decreased much, has it?—I think the opposite; I think it will have increased.

23,165. I have some figures here which show the population in 1871, 1881, and 1891, and which give the village and rural population in 1881 and 1891. From those figures I see that the number of labourers has decreased very much more than the whole decrease of population even in the village and rural districts; that is, that the wage earners in agriculture have decreased in greater number?—Are you speaking of Perthshire?

23,166. Yes?—That the labourers have decreased more than the population?

23,167. Yes?—I would not be at all surprised to hear it.

23,168. Would that not show that it is not so much a depopulation as that the population is going to other work?—But that is depopulation—they are going to the towns.

23,169. Suppose it is shown, as I think I could show you, that the rural population of Perthshire has decreased by only about 2,500 people, while the labourers have decreased by 3,500; that would rather show that the people had transferred themselves to some other employment than that they had gone away?—There is no other employment in the rural places. They go to the cities. For instance, where I live a great many of the people who live in the small villages go to Perth to work, and we have great difficulty in getting farm labourers even within a mile and a half of the city.

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23,170. The whole decrease of the rural population of Perthshire in 10 years is only 2,598 persons?—That would go towards proving your contention that they are going to some other employment instead; but, at any rate, wherever they are going, we cannot get them.

Rates.

23,171. Have you in your neighbourhood any system of graduation of rates or of valuation for rating purposes?—The rent of course is the main guide.

23,172. In some parts of Scotland property is classified and rated at different rates according to the nature of the property?—Quite so, the assessor does that; there is an assessor in the county for the purpose, and he assesses the value of it.

23,173. Is that so with you?—No.

23,174. Not in rural districts?—Not in agricultural holdings.

23,175. In some rural districts, it is the case, is it not?—Not with us as far as I am aware.

23,176. You do not know a district where that system prevails?—No.

23,177. (*Mr. Gilmour.*) Is it not the case that in connexion with the public health there are classifications and reductions given which vary it?—Not as far as I am aware of in agricultural holdings.

23,178. (*Mr. Lambert.*) There are?—Not on farms.

23,179. (*Mr. Little.*) But the rates are divided between the landlord and the tenant?—I think so. I pay the half, I understand.

23,180. And the landlord pays half?—There may be rates that the landlord pays that I know nothing about; but I understand that the half of the consolidated rates and the half of the poor rates, and the half of the school rates I pay.

Loans by auctioneers to farmers.

23,181. (*Mr. Lambert.*) You said just now that auctioneers had advanced a considerable amount of money to farmers; is that the general case?—I am afraid it is too general, and is getting more so.

23,182. Have they advanced money to some good farmers?—A farmer who is able to see his way would not need it, and he would rather be out of the hands of the auctioneer.

23,183. I mean to say some industrious men, frugal men—have they too been obliged to seek advances from auctioneers?—It is possibly the case. I believe it to be the case.

23,184. What kind of men would have these advances?—Men who have been getting hard up.

23,185. How have they got hard up?—Through agricultural depression.

23,186. Is it owing to their own unthrifty habits, or what cause is it owing to?—I should not like to say that a man who has been unfortunate and has had to borrow from the auctioneer was a man of unthrifty habits; although in some cases it is partly due to that cause, and some are men who have not probably had sufficient capital to start with. One great error, no doubt, with farmers generally, has been that they were too ambitious when times were good, and took more land than they had capital to go on with.

23,187. Is there any other cause?—For what?—for their misfortune?

23,188. Yes?—I have stated that some of them may have been improvident; and some of them may have been living above their means.

23,189. Is there any other cause than improvidence?—Improvidence and misfortune and bad times.

23,190. Are their outgoings too much for their incomings?—They must live, and they have no income.

23,191. Do they get nothing out of the farms?—Not a 6*d.*, I warrant you. I warrant you that at the present moment many men are going back; men who have to pay interest on any capital just now must be getting deeper into the mire.

23,192. Usually a man lives before he pays any rent?—I do not understand that exactly; of course he lives.

Rents.

23,193. Do you think the farms in your district are rented too high?—If I say yes, which is the fact, then farmers are themselves to blame.

* With reference to Questions 23,150-4, the witness subsequently wrote as follows:—"I do not agree with the conclusions I have here committed myself to. Liming, draining, and manuring land improves it in degree as the land requires it. I call this 'land improvement,' but 'inherent capabilities' is to me an unintelligible term."

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23,194. Is it the fact that they are rented too high?—It is the fact that they are too high.

23,195. And yet you said just now that there was a considerable demand for farms?—Yes, exactly.

23,196. Then one farmer bidding against another is apt to give a farm an artificial value or to raise it to an artificial rent?—The present position of agriculturists will not explain it at all. In the face of these bad times the increased demand for farms at certainly not any less rent than when times were not quite as bad will not explain it at all; I cannot give you any explanation of it.

23,197. My point is this: presuming that five men are bidding or struggling for one farm that is apt to raise the price for the rent of that farm beyond a fair rent?—Yes.

23,198. Therefore some farmers may get into difficulties owing to having to pay too much rent?—There is no doubt about that.

23,199. You think that land is over-rented, and that that is caused by competition for farms?—You speak about being over-rented, but I know many farms now where the rent would not pay more than the outlays that have been made on that land for draining, fencing, and building.

23,200. That is not my point; I am speaking from a tenant's point of view?—As far as a return goes in such land it would be too dear this year although you had it for nothing.

23,201. Of course rent is usually considered to be the profit after all the outgoings have been paid away; are the farmers paying more than than they can afford to pay at the present time?—Surely they are. There is no manner of doubt about that whatever.

23,202. Have you thought out any remedy for this state of affairs beyond getting an adequate reduction of rent?—No.

23,203. You have not?—No.

23,204. May it not be the reason why some farmers get into difficulties that they are paying too much rent?—Yes, there is no doubt of that.

23,205. Does it make any difference to the tenant how much rates he pays?—Yes.

23,206. Does he not take that into account when he takes his farm?—He may take his farm with reduced rates, and they may get up during the interval. At some of my places the rates have got up double since I took a farm. One farm was transferred to another parish when the one it was in had no poor rates at all, and now it is transferred to one with heavy poor rates. These are contingencies that one cannot consider in making a bargain.

Security of tenure.

23,207. You attribute a good deal of importance to fixity of tenure—that is security against being turned out capriciously?—I do not attach much importance to what is generally called fixity of tenure.

23,208. I do not mean that; I mean security of tenure?—I do not see how any practical farmer can work his land to any advantage whatever from year to year, or even at a five years' notice. He would need to have it for a longer time, and take his chance of it.

Compensation for disturbance.

23,209. If a farmer was capriciously disturbed—that is, if he were evicted from his farm, would you give him compensation for the loss which is occasioned by such removal?—You would try to arrive, certainly, in common fairness, at what you considered the surrender value of what he had put into the farm.

23,210. (*Mr. Channing.*) I think the question is rather whether you would give him any additional compensation for any loss that he suffers owing to removal?—Not if there was a bargain for breaking his lease; but, of course, I would if he was to be removed otherwise. A break means a termination of the lease.

23,211. (*Mr. Lambert.*) Supposing a man were farming from year to year, and farming well, and paying his rent regularly, and the landlord came in, and for some reason or other gave the man notice to quit, would you give him compensation for the loss occasioned by that removal?—I certainly think it ought to be taken into consideration, but I have never been in those circumstances, and have never been connected with a district where a yearly tenancy was the custom, so I could not answer exactly in regard to that. It is a question that never arises with us.

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23,212. Do you think that manure is often used unnecessarily in growing crops?—Not often now. The majority of farmers are well up to the general principles of manuring. There is very little manure wasted in that way.

23,213. I understood you to say that you used 4*l.* or 5*l.* an acre for roots; would not manure at the rate of 3*l.* an acre produce just as good a crop of roots?—Not for my purpose.

23,214. If you manured them at 3*l.* an acre, and had 2*l.* an acre used on the next crop, would that not be more advantageous than using so much at once?—I work on that principle, as much as possible; but in giving the land so much as that I want to produce a large crop for selling purposes. On my farms further in, where I do not sell, I do not give it so much. Where I do sell I rather risk the extra expense (knowing that, probably, it will not be required for the crop) for the sake of getting a full good-looking crop for selling. It is quite unnecessary to put on a ton of manure of any kind for one particular crop; but where you are marketing, and know that where you use phosphatic manures especially, you will get the benefit of all that is left another year, and you will get a large price for it, you can easily afford to give it more than enough.

Middleman's profits.

23,215. You complained just now that the middleman's profits on the farmer's produce were too large and too frequent?—Undoubtedly.

23,216. Have you thought out any means whereby that could be obviated, and the farmer and the consumer of the farmer's produce brought nearer together?—Not unless we revert back to the old system.

23,217. What was the old system?—The farmers just selling their animals and everything at home, and giving no commissions.

23,218. The consumer does not come to the farm, does he?—No. Of course, we have always one middleman. I do not think it is practicable for farmers to deal directly with consumers; I think it is absolutely necessary to have middlemen in order to carry on the trade.

Loans by auctioneers to farmers.

23,219. (*Mr. Channing.*) You spoke of some farmers being in debt to the auctioneers; can you give us any idea of the rates of interest charged for loans?—No, I cannot.

23,220. Do you know of cases in which very exorbitant rates of interest are charged?—I could not speak to the interest. It is not done by way of the auctioneer wishing to make a profit. The auctioneer does not wish to make a profit out of lending the man the cattle, it is simply done for security so that he will get payment. A farmer requires to buy cattle to put on his grass, and if he has no money to pay for them the auctioneer takes this bond over the cattle, but it is not for the purpose, mark you, of making a profit out of the farmer—it is merely to accommodate him.

23,221. Then you do not represent the farmers as paying exorbitant interest?—No, certainly not.

Leases.

23,222. I think you stated that the Scotch leases now generally have breaks in them?—Yes.

23,223. Is that found to meet the necessity of the times as regards readjustment of rent, or do you go farther?—It has been a benefit in that respect; because when a man has been, I will not call it too high rented, but when produce has been falling in price and land is falling necessarily, it gave him a chance at his break of making a rearrangement, and of getting the land at a lower price.

23,224. Do you think it is thought by men of your class to be a satisfactory arrangement, and to be one that is working satisfactorily?—In a measure.

Restrictions.

23,225. Mr. Hope has stated very strongly that restrictive covenants as to cropping are still very frequent in Scotland?—They are.

23,226. And are enforced rather rigidly in some cases; is that your opinion?—Yes, they are in force; but I have already stated that the enforcing of these restrictions, to my mind, as a practical man knowing the districts where they are enforced, that is, where they have come under my own observation—would not make very much difference; the farmers would not act differently, although they had their own free will.

23,227. You think the covenants are generally according to the practice of the most practical agricul-

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turists?—Yes, they are the sense of what is the right way, probably, to manage that particular district.

23,228. In practice, taking a dozen farms round yourself, are those farms, when the farmers are capable men and trusted by the landlord and the factor, practically worked as the man chooses or according to the covenants?—According to the covenants; but a covenant is not made with good farmers near a town; there is freedom of sale there.

Reduction in prices.

23,229. (*Captain Owen Thomas.*) What would you say is the average reduction in the prices of farm produce as compared, say, with 15 or 20 years ago?—Wheat is down one-half, and potatoes would be down from one-third to one-half.

23,230. What about the cattle?—That is a very indefinite thing, because at one time cattle may pay well, according to the price of beef, and at another time badly. I would always leave the feeding of cattle and the turnip crop out of the question in making up an estimate of profit and loss, because you never can tell, it depends on what the price of beef may be. For instance, this year I bought cattle in the autumn, and I bought them cheaply enough; but apparently beef has been so cheap that there is not much left to pay for the wintering. Last year it was different; we got a good return last year for cattle bought in the same way.

Reduction of rents.

23,231. What is the average reduction of rents in your district?—I was saying about 20 to 25 per cent. all round.

23,232. That does not represent the reduction in the prices of farm produce, does it?—No, nothing like it.

23,233. Would you say that farmers were making enormous profits previous to this reduction?—They were making good profits or they could not stand the bad times now. If I had not made some money in the good times I could not have stood the bad.

23,234. What per-centage were they making?—That is an indefinite thing; it depended entirely on the management. Some farmers lost their chances in the good times and did not make anything at all, while others made plenty.

23,235. Would you say that farmers are making their present rents on their holdings?—Not one that I know. The only farm that I have that is clearing and paying is a small one, where everything is sold at the Perth market and manure brought back.

23,236. Are there many farmers in arrears with their rent?—That is more a question for factors and landlords. I would not like to answer that. I believe there are a great many, I am afraid so.

23,237. Is the land as well farmed now as it used to be?—Part is as well, and even better, I think, and part has come down where the tenant has got hard up; especially on second-class land the fertility has gone down very much indeed.

23,238. That, of course, would mean a loss to the landlord later on as well as to the tenant?—It will tell on letting off the farm some day.

23,239. It would be better for the letting of the land to save the tenant now by making a reduction, than to allow the tenant to go on taking it out of the land?—Yes, but a great many of these kind of tenants are so hopelessly in the mire that I do not know what is to save them.

23,240. (*Mr. Everett.*) With regard to these bonds which the farmers give to the cattle dealers when the cattle dealers supply them with lean cattle, what is the nature of those documents?—They are printed documents which the farmers sign and the auctioneers hold, saying that until the cattle are paid for they belong to the auctioneer.

Malt tax.

23,241. You expressed an opinion that the repeal of the malt tax has had a prejudicial effect on the price of barley?—Yes.

23,242. You are aware, I have no doubt, that wheat has fallen a great deal more than barley?—Yes.

23,243. That was not owing to the repeal of the malt tax?—No, that was owing to a different cause; but they are both apparent.

23,244. You are aware that wool has fallen a great deal more than barley?—Yes.

23,245. What do you imagine has led to the great fall in wheat and in wool?—Both are due to foreign competition.

23,246. Is there not the same unrestricted foreign competition in barley as there is in wheat and wool?—No; if I understand it correctly they cannot grow barley abroad of the same quality that we can. Barley is one thing, especially of which they cannot grow the fine quality necessary for making the best beer, so I am told. At any rate, I know, for a fact, that they cannot grow the same quality abroad that we can.

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23,247. Still all the barley that is grown in the world is free to come to our ports just the same as the wheat and the wool?—Yes, but it will not suit the same purpose.

23,248. Does it not look a little unreasonable that while the barley has fallen much less than the other articles, you attribute such fall as has occurred in that to the repeal of the malt tax instead of to foreign competition?—We had in this case the evidence at once. In the other case the fall has been gradual; but we had the evidence of the repeal of the malt tax at once, for the barley came down in a very short time from 40*s.* to 30*s.* Thirteen years ago I remember very distinctly was the first time I had ever to take 30*s.* for Chevalier barley.

23,249. The malt tax was repealed, or rather transferred to the beer, in 1880?—Yes.

23,250. The average price of barley the next year according to the official figures was 31*s* 11*d.*, and it has now fallen, in the last recorded year, to 25*s.* 7*d.*, which is a fall of 6*s.* 4*d.* a quarter. Wheat in 1881 was 45*s.* 4*d.* a quarter, and that has fallen to 26*s.* 4*d.* So that while the barley has fallen 6*s.* 4*d.*, the wheat has fallen 19*s.* What do you say is the reason for that?—That they are due to different causes.

23,251. I cannot see where you get at that. It is true there was never any malt tax on the wheat. It really looks as though such changes as have been made in regard to barley have saved the barley from the same amount of fall as the wheat experienced?—I do not mean to say for one moment, in the face of these bad times, that barley would have kept up to the old price; although we have the direct evidence of the repeal of the malt tax bringing it down at once.

23,252. You will pardon me, but it did not come down for the next several years. It was 31*s.* 11*d.* in 1881, the first year after the repeal of the malt tax; the next year it was 31*s.* 2*d.*; the next year 31*s.* 10*d.*, practically the same price as in 1881; then 30*s.* 8*d.*; and then 30*s.* 1*d.* It was not for some years after that barley declined much, and then it did not decline anything like so much as wheat did?—No, but that will be due to the fact that they cannot grow good barley abroad. We may continue to get a fair price for very good barley always, because we have never seen any barley grown elsewhere which is as good. The alteration in the malt tax mainly affected the price of the best barley, so that the fall in that class of barley is not correctly stated in average returns.

23,253. All I wanted to call your attention to was, whether you are not attributing such fall as has occurred in barley to the wrong cause, inasmuch as other grains which have not had any such cause affecting them have fallen a great deal more than barley. But it is a matter of opinion, perhaps. Can you tell us how much the rates come to per acre on your farms, or on one of them, on a rough average?—Yes, I can tell you in the aggregate. In the aggregate it is between 90*l.* and 100*l.* on 1,030 acres.

Rates.

23,254. Then your rates are very trifling indeed. What would that amount to on the acre; it would be about 1*s.* 6*d.* an acre, or something like that, would it not?—Yes, something like that.

23,255. And the landlord pays an equal amount in rates?—Yes.

Farm repairs

23,256. Who does the repairs of your farms, the tenant or the landlord?—I make my landlord do all repairs of every description, drainage, fencing, and building. I would not hold any landlords' land under any other conditions. The only money I have ever spent on another man's property has been spent in improving my dwelling-house. I spent something on that for my own personal comfort. But I think a man is not doing right who spends under present circumstances his own money on any other body's property.

23,257. Do you pay anything for repairs?—After we get everything done we are supposed to keep it for a certain time in good order. Speaking about repairs, I get everything in first rate condition, and I have to

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keep it in that condition, bar ordinary tear and wear of course—natural depreciation.

23,258. If you have a wooden building, for instance, does the landlord find you the rough stuff, the wood, and do you find the labour?—We have no wooden buildings; they are all stone and lime.

Income tax.

23,259. You Scotch farmers are assessed to the income tax in this way, are you not; you pay on one-third of your rent?—Yes.

23,260. I was trying to compare the rent of a Scotch farm with that of an English farm. The English farmer pays income tax on half his rent, and the English farmer's rent would exceed yours by the difference in the rates—the English farmer paying the whole of the rates, and you paying only half?—Yes. The way I look at it is this: there is not very much fairness in asking a man to pay income tax if he has no income.

23,261. You have the opportunity of showing your books, have you not, and so can get off paying?—I say I did that. I took the opportunity of doing that. I went to the trouble of getting up all the profits and losses for three years and showing it, and I got it back from the assessors; but it was not worth the candle, and I did not try it again. I might do it well enough just now.

23,262. Do you think, taking the last 20 years, for instance, that charging the Scotch farmer on a third of his rent has been about a fair mode of coming at the income which the farmer had made before the times became so exceptional?—If you put it all in the aggregate it might possibly be so.

23,263. You do not happen to know why the Scotch farmer has only been assessed for income tax on a third of his income, while the English farmer has been assessed on half?—I was not aware of that fact until you told me.

Labour.

23,264. About how much would your labour cost you per acre, do you suppose?—I was counting it roughly that my labour costs me about the same as my rent, that is, from 1,500*l.* to 1,600*l.* I am sorry to say that I did not bring the figures with me: I meant to do so, but I came away hurriedly.

23,265. It costs you about 30*s.* an acre then?—Yes, all round.

23,266. I suppose the best farms that you pay most rent on you probably put most labour on too?—Yes.

Importation of Canadian cattle.

23,267. You referred to Canadian cattle, and I understood you to express the opinion that the agitation for the importation of Canadian cattle does not arise from *bonâ fide* farmers in Scotland, but from those interested in bring the cattle over?—More particularly from that source.

23,268. Still, do you not think that when they were coming over, a farmer could buy in a great deal more for his money of Canadian cattle than he could of home-bred cattle?—I have never found it so, and I have fed Canadians.

23,269. Have you not?—I feed all kinds of cattle. I have always found my home-bred ones far more satisfactory, and that they left me more money than any I have bought.

23,270. (*Mr. Channing.*) Your opinion is based on your experience of feeding both, as I understand?—Yes, on my own experience. If Canadians were coming in to-morrow I would be buying them for certain. I want all kinds of cattle. I cannot breed a third of what I need.

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23,271. You want them because of the quantity, not because of the cheapness?—That is so. If I could breed all the animals I require I would do it.

23,372. (*Mr. Everett.*) Our experience in Suffolk was that we could buy a great deal more for our money of the Canadian cattle than of all such others as were available to us, and that they paid us better?—But a selling day comes with them unfortunately, when you have to sell them at 30*s.* a cwt. I have no statistics to offer, but there is the natural feeling that a beast of that size eats far more than a little one.

23,273. We compare them with Irish cattle. Our source of supply is from Ireland, and we can get good short-horned cattle from Ireland; but we found with the Canadian cattle that we got more for our money, and that they left the farmer more for his profit on the feeding than the others. But that, I understand, has not been your experience in comparing them with your home-bred cattle?—I would put Canadians and Dublin Irishmen on the same platform; they are both equally bad.

Sale by live weight.

23,274. Where you sell by the live weight —— ?—I do not sell by live weight. I weigh them for my own satisfaction, and I wish it was the custom that we did sell by so much per. cwt. I know by my actual figures what I am getting per cwt. when I do sell, because all my cattle are weighed. I have endeavoured very much to sell by live cwt., but I cannot get the butchers to agree to it.

23,275. About what deduction have you to make from the live weight to get at the dead weight of fat cattle?—It depends on the quality of the animal a great deal.

23,276. (*Viscount Cobham.*) It is a very common thing in Scotland, is it not, to sell by live weight?—No, sale by live weight is not common. We know the live weight, but we do not sell by the live weight; we do not say at the sale, "I want so much per cwt."

23,277. (*Mr. Everett.*) What is the difference between the live weight and the dead weight?—From a little under a third to nearly a half, according to size and quality.

Decreased acreage under barley.

23,278. (*Mr. Channing.*) I want to draw your attention to some figures given by Mr. Hope, according to which the diminution of the acreage of barley in Perthshire is very much greater than the corresponding diminution in the acreage of wheat and of oats. As you have given so much evidence about barley, I should like to ask you why that is?—I see the figures are for 1892. I think, probably, it would be the case that if you look up barley it was cheaper in 1891, and so they sowed more oats. The statistics next year will show a larger acreage of barley and a smaller acreage of wheat.

23,279. You have no other explanation to offer as to the diminution of the area?—No.

The witness withdrew.

Adjourned to to-morrow at 12 o'clock

Forty-third Day.

Friday, 8th June 1894.

PRESENT :

The Right Hon. GEORGE JOHN SHAW-LEFEVRE, M.P., in the Chair.

Viscount Cobham.
The Right Hon. Henry Chaplin, M.P.
Sir Robert Nigel Fitzhardinge Kingscote, K.C.B.
Robert Giffen, Esq., C.B.
Captain Owen Thomas.
Francis Allston Channing, Esq., M.P.
John Clay, Esq.
Robert Lacey Everett, Esq., M.P.
John Gilmour, Esq.
William Cutlack Little, Esq.
Walter Hume Long, Esq., M.P.
Charles Whitehead, Esq., F.L.S.

Herbert Lyon, Esq., *Secretary.*
R. F. Crawford, Esq., } *Assistant*
Freeman Thomas, Esq., } *Secretaries.*

General Sir A. Cotton, K.C.S.I.
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General Sir Arthur Cotton, K.C.S.I., called and examined.

23,280. (*Chairman.*) You are an officer, lately in the Royal Engineers?—Yes.

23,281. And you were employed for some time in India on the irrigation works in Madras?—Yes, for many years.

23,282. And as a result of that, very large additional revenue was obtained from the works and from the land under your supervision?—Yes.

Increased capacity of production.

23,283. The point which you wish especially to give evidence upon is the capacity of the land to produce far beyond what it is supposed to be capable of producing according to the general opinion on the subject, I believe?—Yes, that is the point.

23,284. Have you yourself conducted experiments with a view to obtaining much greater produce from the soil?—Yes.

23,285. Will you state shortly what experiments you have conducted?—I have only cultivated small plots in the different gardens that I have been in.

23,286. Not on a large scale?—No.

23,287. Will you, please, make a short statement of what you have done?—I have stated in my pamphlet on the subject all that I have got to say as to what I have done.

Process of cultivation and result of experiments.

23,288. The principle which you wish to advocate is the very deep cultivation of the land?—Not merely deep cultivation. The first point is the thorough aeration of it by the complete pulverisation—whether it is 6 inches deep or 3 feet deep, that is the main point I insist upon—the reducing the soil to absolute powder and exposing it several times to the air so as to get it thoroughly aerated.

23,289. Down to what depth?—Any depth—I have cultivated to 3 feet, but I do not insist upon any particular depth.

23,290. Is that with spade cultivation?—Yes.

23,291. Is it coupled with very heavy manuring?—I began with very heavy manuring. I found it was not only unnecessary but absolutely injurious, and now I give about 30 tons to the acre.

23,292. Is that five or six times as much as the ordinary amount of manure?—Yes; reckoning the ordinary amount at 20 tons once in four years it would be five tons, and I am now giving about 30. I do not insist upon the quantity of manure because I have not tried it out fairly.

23,293. And the result of your experiments has been that the produce of the soil has been enormously increased?—Enormously increased even in ordinary years, but last year there was an immense crop where there was none at all on the farms.

23,294. What is the area of ground on which you have tried these experiments?—About a rod and less.

23,295. Has any experiment been made of the same kind upon larger areas of land?—Not that I know of.

23,296. You state the result of your experiments in the pamphlet which is before the Commission?—Yes.

23,297. Do you think that the system is applicable to larger areas of land or not?—I am quite certain it is. There is no possible question about it. What one rod will produce an acre will produce in the same proportion.

23,298. Would that be by spade cultivation or by ploughing?—By plough.

Wheat.

23,299. (*Viscount Cobham.*) At the rate of how many bushels of wheat have you grown per acre?—Up to 130.

23,300. On what character of soil?—Poor soil—25 bushel soil; that is five bushels below the average of wheat.

23,301. What was the character of the subsoil that you turned up?—Silicious sand.

23,302. Have you got a sample of the wheat here?—This is a sample of this year's growth (*producing sample*).

23,303. Cut green?—Yes, cut this morning.

23,304. When was it sown?—The beginning of September.

23,305. How long has the piece of land been treated in your way that has grown this wheat?—It is about seven or eight years that I have cultivated it in this way, but not the same crop on the same land—the rotation is wheat, grass, potatoes, cabbage.

23,306. Has that had 30 tons of manure for this crop?—Yes, for this crop.

23,307. What manure?—Stable manure. After I found the injurious effect of too much manure I stopped it entirely for two years.

23,308. Has the manure been applied to the surface, or has it been thoroughly mixed with the subsoil?—Entirely mixed. That is a question I am not sure of, whether it had not better be all put in at the upper foot, but I have mixed it all through.

23,309. How did you mix it all through?—By digging.

23,310. What has been your experience with potatoes?—Some years ago I planted potatoes in light rich sandy soil at Tunbridge Wells, and the first year it produced at the rate of 30 tons to the acre.

23,311. What has been your experience on the poor Surrey soil?—It has produced from 15 to 25 tons per acre. This land is by no means reduced to the perfect state of pulverisation that it ought to be, so that it is not equal to the Tunbridge Wells land in respect to cultivation.

Rye grass.

23,312. What has been your experience with rye grass?—I have tried two kinds of grasses—English grasses and Italian rye grass. The Italian rye grass has not equalled the English grass. Last year on the 1st of June I cut upwards of 2 lbs. of hay per square yard of English grass, which is equal to 4½ tons of hay per acre, and I had two cuttings afterwards making it up to seven tons, when the produce of the fields around

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me was nothing at all in the first crop and perhaps half a ton in the autumn.

23,313. Have you had any difficulty with those great weights of produce as regards the falling of the crops?—Yes, they have been liable to fall. I have put in pea sticks here and there which has prevented it.

Cost of process.

23,314. Have you ever estimated the cost of the process on a farm where machinery could be employed?—I have no doubt about it whatever myself—I cannot make an accurate calculation because I have not the materials, but I pay 24*l.* an acre for digging. I have no doubt it could be done for 5*l.* or 10*l.* by steam or horse power. I have no doubt about that. On Lord Tweedale's farm I saw him ploughing 16 inches deep with four horses in one furrow.

23,315. It would not be necessary on a large farm to break it up by hand at all?—No, not at all, it could be done entirely by animal power or steam power.

23,316. I see you put the first cost at 100*l.* per acre?—That was merely my way of doing it.

23,317. I see also that you recommend a 12 share plough; how many horses would that require on stiff land?—I do not know how many. For the first breaking up it might take six or eight horses.

23,318. The return in the account on page 16 of your pamphlet is put in, wheat at 150 bushels per acre, and 10 tons of straw; I suppose that is to be taken on good wheat land?—On good rich land, land now yielding say 40 bushels.

23,319. The cost per acre therefore, charging interest upon the preliminary expenditure, would be 29*l.* and the returns 54*l.* showing a profit of 25*l.*?—Yes.

23,320. That is taking the wheat at 4*s.* 6*d.* a bushel which is a good deal more than you can get now?—Now, but it was the price then. In the first place it was not this year, it was last year; in the next place I allowed a little for quality, the quality is so superior. When I showed a sample to a miller he said, "I never saw such "a sample in my life."

23,321. What subsoils do you consider fit or unfit for this process?—Almost all subsoils are fit for it, except the actual rock.

23,322. What would the character and cost of the cultivation be after the preliminary breaking up?—I should suppose if it was done with horse power that you would have perhaps the upper plough 15 inches or 18 inches, and the subsoil plough of 15 or 18 inches also turning over the subsoil in the trench, and after two or three years bringing the whole up, turning it up entirely, bringing it up to the top by any implements that could be made.

23,323. Would the cultivation be more expensive than the ordinary system of cultivation?—Yes, certainly.

Process of cultivation.

23,324. Would it be necessary to turn the soil up every year by deep ploughing?—I do not know. All those details must be worked out. I cannot give any information about them.

23,325. Is it your belief that continuous corn crops might be grown under this system?—I think there ought to be a variation of crops, as there is now.

23,326. You have not tried continuous corn growing?—No.

23,327. If your theory is correct it is a very wasteful thing to keep land under permanent pasture?—It is a perfectly monstrous waste.

23,328. You refer to Lord Tweedale's experiments of many years ago; why have they been discontinued?—I know nothing about Lord Tweedale's farm since 1854.

23,329. But the inference is that no great profit could have been made or else the deep cultivation would have been continued?—I do not know anything about that.

23,330. Have any bad results occurred from uniting the subsoil with the surface soil?—I think in general it is quite destructive to bring the subsoil up to the top at first before it is aerated. With most soils I think it would be advisable only to mix a few inches at a time. Lord Tweedale told me that he brought up two fresh inches every year and mixed it, and it was four or five years before he mixed the whole 16 inches. But a gentleman told me that he had tried it on his farm and the first year he mixed it all up and it was a complete success.

23,331. Your belief is that an enormous capital may profitably be employed in this new system of agriculture?—Any amount. A thousand millions could be invested next year on the land in England with enormous profits. I am persuaded of that.

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Increased employment of capital and labour

23,332. And a corresponding amount of additional labour employed?—Yes, there would be an immense increase of labour.

23,333. The system would be applicable to all parts of the world?—Yes.

23,334. Therefore, should we not be exposed to the same competition that we are exposed to at present?—With this immense advantage that we have the labour and they have not.

23,335. If the process pays, will not machinery be more and more employed?—More and more. The immense advantage of steam machinery is that you can bring an enormous amount of power to bear for two or three months in the autumn and two or three months in the spring, without its costing you anything during the rest of the year. That is the immense advantage of steam power.

23,336. Then perhaps we shall not require so much more labour as you seem to think?—There must still be much more hand labour.

Wheat. Liability to mildew.

23,337. (*Mr. Whitehead.*) Is wheat grown upon this system more liable to mildew than wheat grown upon the other system?—No; less. I am persuaded that wheat or anything else grown in this way, will be so much stronger as to be more able to resist all the evils of bad seasons and everything than it does at present.

23,338. I ask that question because there seems to be a good deal of mildew upon this example produced?—A few leaves are in that state, very few. The great mass of it is perfectly green.

Liability to fall.

23,339. Then with regard to the falling of the wheat, is it more liable to fall than ordinary crops?—I am not sure, but I think it would be.

23,340. I think you proposed to prop it up with rows of pea sticks?—I myself think that the value of the produce would be so great that they could adopt means for supporting it which are not thought of now with the present small produce.

Process of cultivation.

23,341. Upon a field of 50 acres would that be possible?—Perfectly possible; there is nothing to prevent it. That is a photograph of the present crop taken a day or two ago (*producing photograph*).

23,342. (*Mr. Channing.*) I should like to ask whether your process could be carried out with a deep clay subsoil as well as with other subsoils?—Perfectly well.

23,343. (*Captain Owen Thomas.*) If the soil is turned the first year and mixed with a clay subsoil at three feet depth what prospect of a return would there be that year?—I think there would be a double or treble return the first year, although the subsoil was not brought up, if it was well granulated—if it was pulverised tolerably well.

23,344. That would mean turning it over three or four times before you sow the seed?—Yes, I should say that would be advisable.

23,345. (*Mr. Everett.*) What is the largest area to which you have seen this process applied?—Nothing but these little plots. A gentleman has written to me from Salisbury that he is ploughing 10 inches deep and subsoiling 10 inches more and going over it four times, so he is giving it a good trial this year. That is Mr. Harding who is managing a home farm at Salisbury for a member of the House of Lords—I forget his title.

23,346. (*Viscount Cobham.*) Do you find these heavy crops kill out the weeds?—I never allow a weed on the land.

23,347. You get it thoroughly clean first?—In India I have ridden 100 miles without seeing a weed. I never allow a weed on the land. Here is a plant of wheat weighing 4¼ lbs.; taking off the root it is about four pounds of green plant; there are 30,000 plants to the acre as it is planted; that would be 120,000 lbs. of green plant if it was the average; but say the average is about one-sixth less, that would be about 100,000 lbs. to the acre, and allowing four pounds of green to one of straw it would be 11 tons of straw at this moment on that land. That would be equal to 50*l.* an acre at this moment, leaving out the corn altogether.

The witness withdrew.

Mr. W. H. Clarke.

. Mr. WILLIAM HENRY CLARKE called and examined.

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23,348. (*Viscount Cobham.*) I think you are a land agent living near Chatteris, Cambridgeshire?—Yes, I live at Chatteris, and I do business at Chatteris and Wisbeach.

23,349. Are you a valuer as well?—I am not an agricultural valuer.

23,350. Are you exclusively a land agent?—Exclusively.

23,351. Do you farm yourself?—No; I have farmed but only when I have been interested in mortgaged property; I have never farmed voluntarily.

23,352. How much land have you got under your care?—I cannot give you those figures—my business is largely personal and to a great extent in the immediate neighbourhood of Cambridgeshire. You may take it that it is not very large in comparison with those you have had before you previously.

Condition of agriculture.

23,353. What is the condition of agriculture in your district generally?—I think I can call it very bad everywnere. It is not so bad in the fen country as it is in the high land surrounding it.

23,354. Is that owing to the seasons having suited them better?—I think so.

Small holders.

23,355. I believe you wish to speak more particularly about the small holdings in the neighbourhood of Chatteris?—Yes.

23,356. Are there many?—There are a great many small holdings in the immediate neighbourhood of Chatteris.

23,357. How do you define the small holdings?—I should call the largest about 50 acres and the smallest about four.

23,358. Are they rented or owned by the occupiers for the most part?—A few of them are owned by the occupiers but the most part are rented.

System of cultivation.

23,359. What is the system of cultivation of these small holdings?—They are very largely cultivated for roots, carrots, mangel wurtzels, and potatoes. Near Chatteris I suppose we have from 100 to 150 tons a night of these roots going up from these small holdings to Spitalfields market at certain seasons of the year.

23,360. Are the whole of the crops sold off?—Yes.

23,361. Is the land very suitable for root cultivation?—The land is very suitable for root cultivation.

23,362. What are the rents for it?—I can give you an instance on 600 or 700 acres in one portion of the fens.

23,363. Are these small holdings all on the fens?—The whole of the small holdings are on the fens.

23,364. And it is an area of 600 or 700 acres you are going to speak of?—I am going to give you an instance of 600 or 700 acres which are conveniently divided.

23,365. (*Sir Nigel Kingscote.*) Are they entirely arable?—Almost entirely arable. These were originally enclosures appurtenant to commonable houses, they are all about the same size, namely, 3 acres and 3 roods. The 700 acres is divided into lots of that size. These lots are all subject to taxes amounting to 17*s.* 6*d.* an acre payable by the tenant.

Rates and taxes.

23,366. Both rates and taxes?—Tithe, rates, and taxes. We do not come within the four corners of the Tithe Act, and the tenant pays the tithe in our case.

23,367. 17*s.* 6*d.*, I think you say they amount to?—Yes, and sometimes a trifle more. The rent of these lots nearer the town, not a great number of them, but a few of them, comes to 14*l.* a lot; that is 14*l.* for the three acres and three roods.

Rents.

23,368. (*Viscount Cobham.*) Have the rents been reduced?—They have hardly been reduced at all; a few have been reduced and have come down to 7*l.* a lot. Many of these are down a bad road. The road is bad entirely through the fen, and those which are further from the best roads have been reduced to 7*l.* a lot.

23,369. Do you consider that the tenants are able to pay these high rents?—They have been up to the present time. I think these rents have been paid for 20 or 25 years, and paid cheerfully and well. There is great competition for these lots even to-day, but I am afraid the tenants have been losing their capital during the last two years.

23,370. Owing to the seasons or the prices?—Owing to the prices. The price of potatoes last year was a very heavy blow. Their potatoes are all dark and they were almost unsaleable last year.

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Condition of agriculture.

23,371. Can you not grow early potatoes?—Not so well.

23,372. Still they are having a good turn now in the price of potatoes?—No, fen potatoes will hardly be saleable so late in the season as this; they will get almost black.

23,373. How are the crops doing now?—The crops look wonderfully well this year.

Reductio of rent.

23,374. Have many applications for a reduction of rent been made and refused to your knowledge?—No, for the simple reason I think, that there is still such great competition for the lots, that they will not entertain applications for reductions.

23,375. What buildings are there on these plots?—No buildings whatever.

23,376. No stock kept?—In a few cases they keep stock, but in many cases they do not keep stock.

23,377. What rotation of crops do they adopt?—They have a corn crop and a root crop; sometimes two root crops, and then another corn crop.

23,378. Do you consider that if prices remain at their present level, it will be impossible to pay the same rents and make a profit?—I believe so. I may give a little personal experience if you will allow me, which induces me to think so. I have let several of these lands and have some very good tenants and they have paid up for many years, but they do not ask for a reduction, though I am certain they are suffering very much now and are losing money; they tell me as much as that. The owners of many of these little plots are as poor as the occupiers.

23,379. Then there are small owners as well as small occupiers?—There are; and there are cases where they come under settlements in the hands of mortgagees; it seems almost impossible to regulate the rents at all.

Labour.

23,380. Do these small occupiers employ outside labour to any extent?—No, they assist one another often in ploughing, and so on.

23,381. Do they use ploughs for the most part?—Yes, they plough their land and keep horses; they keep one horse at any rate and, if necessary, borrow another horse.

23,382. They interchange services with each other?—Yes.

23,383. What do you think is the immediate future before these small occupiers if present prices go on?—I am sure they cannot continue at present prices.

Reduction of rent.

23,384. The owners must reduce their rents?—I am sure they must reduce their rents. I think it would be practicable to do something in these cases. This best fen land which is adapted for this kind of cultivation is very frequently only approachable by a bad road. I think in the parish of Chatteris, for 40 years, there has been no improvement of these occupation roads. Many years ago, I am told, there was a movement in that direction, but to-day there is none. I believe if powers were given to county councils, or if we could have some effective way of approaching the question of road making, so as to put more land in the hands of men of this description, rents would of themselves be automatically reduced, and so there would be relief where it was required.

Roads and drainage.

23,385. Are the roads now maintained by the occupiers?—These fen districts are divided into smaller districts, and generally they have an officer, and some of them combine together and an officer keeps the roads up.

23,386. Together with the drains?—They combine together for the purpose of keeping up the roads. Certain officers will also take in hand the question of those droveways and the drains are kept up by an officer of the Internal Drainage District.

23,387. Is there a combined rate for the drainage and the roads?—There is a rate to each one and they contribute to the road making.

23,388. Do you think that a part of that burden ought to be thrown upon the broader shoulders of the

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county?—No, I do not think that; I think that there should be a totally different state of affairs. There are farms some distance down these roads, and the tenants all pay highway rates, but they have no power whatever to make a road to their farms. I suppose they could make a road and go to the justices, but then they would not know whether the road would be adopted by the county until they had made it and the decision would not be given till then. I maintain that these men are entitled to a road to their occupations.

23,389. (*Sir Nigel Kingscote.*) Are the roads hard roads?—I have examined two or three of these men, the occupiers of these lands, and they said that in the middle of last winter it was totally impossible for them to get up with a load of their produce. They are all fen roads, and two horses can hardly pull up an empty cart sometimes.

23,390. (*Viscount Cobham.*) Are there special difficulties in making and maintaining a fen road?—I think not. It is expensive, but I believe the difficulty could be met if a scheme of this sort were devised, if an application could be made to the county council and the county council seeing full cause or sufficient cause for it, had power to order, and to levy a tax, half upon the owners and the other half upon the parish.

23,391. But hitherto the county council have not taken over any occupation roads?—No.

23,392. Only main roads?—That is so. It is almost impossible to put any machinery to work as far as I can see, to get these roads made under the present legislative powers.

23,393. Do you think it would be illegal at present for the county council to take your occupation roads?—I am sure they would not take them over.

23,394. Would you give them additional powers for that purpose?—I would give them additional powers, enabling them to rate a distinct parish for these roads.

23,395. (*Mr. Little.*) Is there not a power under the Middle-level Drainage Act, for a district to make the roads and to charge the lands?—There is.

23,396. But I suppose you think that that would be throwing the cost upon a limited district, and that it should be thrown upon the whole parish?—No, my object in not referring to that power was this:—All the combined districts have to agree if they adopt that Middle-level Act, have they not?

23,397. I thought there was power to limit the area by application to the justices?—I believe not. I believe that all the combined districts in any way affected by it, have to agree, and one dissenting district can entirely stop it. It has been tried, and it has not been found effective, because those who are not quite so much benefitted dissent.

23,398. (*Viscount Cobham.*) Do you say that under the present system both owners and occupiers are too poor to keep up proper roads?—I did not wish to convey that.

23,399. Then why do they not do it?—It is almost impossible in practice to do it. Here is a road entirely composed of fen. It will cost something like 500*l.* a mile to make it a suitable road for its purpose. There are many who should contribute who would evade payment entirely, and it would be only those who take a strong line about it who would have to bear the burden and heat of the whole thing.

23,400. Have you anything further to add with regard to the roads?—I have just made a little note about them, I do not know whether I have conveyed the point to you; I think power is required that upon sufficient cause being shown the county council should order a parish to make such a road into a public highway; the cost might be charged say half on the lands benefited payable by the owners; this money might be borrowed and paid off by a sinking fund; the remainder would be chargeable to the parish. It must be borne in mind that the owners and occupiers of these lands all pay highway rates. This would do away with the jurisdiction of the justices. At present if a road is made the parish may take it or not at the discretion of the justices and their decision is not known until after the road is made.

23,401. Is the road question a very serious matter with these small cultivators?—Yes, it is to those in the farther extremity of the fen; and it is all over the fens; I would not refer to this particular fen only.

23,402. It affects the cost of their getting their produce to market?—It not only increases the cost of getting their produce to market, but it prevents them getting it to market at all at certain seasons of the year.

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23,403. The roads in fact will not carry the weight?—The roads will not carry the weight at all. The principal advocates in this particular instance of some system of getting a road are large occupying owners, who are quite willing to bear their share of the cost.

Copyholds.

23,404. Are many of these properties copyholds?—Yes, a great many of them.

Enfranchisement.

23,405. I see you wish to say something with regard to the present law of the enfranchisement of copyholds; in the first instance do you find that copyholds are a disadvantageous form of land tenure?—I think they are a very disadvantageous form.

23,406. In what way?—We have many, I was going to say, little freeholders, we have many little copyholders, men who have purchased small properties of the description I have just been speaking of, and they have suffered very much in the amount it has cost them and their families at the time of death for taking up. Often they have had to pay on improvements, particularly where they have made any buildings.

23,407–8. Are the fines arbitrary?—Yes, and now it has come to this, that I think people are unduly frightened of copyholds, and you can hardly deal in them in a great many cases. In many cases when people wish to enfranchise I think they get to recognise the disadvantages, and they are all afraid to face the enfranchisement and the many uncertainties that occur respecting it. I should like to instance one case of an enfranchisment, which I think shows the evils thoroughly. I acted as valuer for the tenant. My friend initiated the enfranchisement, and the lord claimed between 90*l.* and 100*l.* I offered him 20*l.* without prejudice in the matter. He refused to have anything to do with it, and we went to an umpire. The two valuers' and the umpire's costs were nearly 25*l.*

23,409–10. Was that under the Board of Agriculture?—This was under the Board of Agriculture. The other costs came to the sum of 15*l.* or 16*l.*, or a little more, and the amount of the award was 9*l.* 5*s.* 5*d.*

23,411. (*Mr. Channing.*) What were the total costs?—I have not got them exactly with me, but the total costs I am prepared to say were over 40*l.*, and a large proportion of those costs were heaped up by the attitude the lord's advisers took in refusing to entertain any fair offer. I offered them 20*l.*; I said, "It is double "any amount you can possibly have," but they knew they were driving us to expense, and they fought it out.

23,412. (*Mr. Whitehead.*) Were the costs divided in that case?—No, the whole of the costs are paid by the party initiating the enfranchisement.

23,413. (*Mr. Little.*) There was no power to divide the costs, was there?—No power whatever.

23,414. (*Viscount Cobham.*) In what year was that?—I should think that would be about three years ago. I have had several cases since, and it always comes in that way, that owing to the costs not being left to the jurisdiction of the umpires, if you initiate the enfranchisement you are always saddled with the costs of an umpire, and it is usual now for the tenant to initiate the enfranchisement, and not for the lord.

23,415. But the lord has to pay for his own valuer, has he not?—No.

23,416. You do not complain of the scale of charges fixed by the Board, do you; they are low?—I complain of one thing; I think that whatever scale of charges may be fixed by the Board, they ought to be adhered to.

23,417. Is that not the case?—That is not so. Valuers simply say, "This scale is for guidance only," and in many cases they do not adhere to it.

23,418. Surely if that was brought before the Board they would tax the costs in accordance with their own table?—I do not say that the charges are very grossly high, but I say that it imports another element of uncertainty into the question.

23,419. The authorised charges are extremely low, are they not?—They are. There is another point I should like to say a word upon and that is the table of compensation. That also is only for guidance and it is

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sometimes difficult to get it taken. There is another evil connected with it. The table is for a two years' fine on alienation either by death or sale. In most of the manors in our district it is a two years' fine for alienation by death, and a year and a half for sale, making the fine interval rather different. But it is very difficult to get that recognised.

23,420. You mean the difference between the one and a half and the two years?—Yes; I maintain that one-eighth ought to be taken off the scale in those circumstances, yet it is extremely difficult to get it recognised, particularly by a lord's valuer.

23,421. But if the enfranchisement is carried through in the office, surely they would exercise some control over those payments?—I am afraid they do not. I had a case which I think will illustrate that. I was enfranchising some property in these circumstances, and I said to the valuer upon the other side, "Will you take off this eighth?" we had agreed as to all the rest. He said, "Certainly not; I have nothing to do with it." I said, "I will agree to your figures if you will allow me to "present the thing to the Board of Agriculture." He said "No, you must let our figures go in as they are." They went, and they were not noticed.

23,422. These charges are lower than the charges in former scales, are they not?—I should think that probably is so, but I am not aware of that.

23,423. I see there is a note calling attention to the fact that the table has been constructed upon the basis of a fine, arbitrary upon two years' annual value?—Yes, I am aware of that.

23,424. So where it is a year and a half the proper deduction ought to be made?—If you go to an umpire to-day you do not know that he will take that view of the case at all. There are no instructions. I know a valuer who is largely employed as an umpire, who does not take that view of the case and will not allow the eighth off.

23,425. You admit, I suppose, that the costs in small enfranchisements are bound to bear a large proportion towards the sum receivable?—Yes, I think that is inevitable.

23,426. Have you any other criticism to make upon the scale?—I have no other criticism to make upon it.

23,427. That concludes the points you have mentioned in your brief—would you like to supplement them?—I would like to say a few words more upon copyholds, and to make a suggestion or two if you consider I might do so.

23,428-9. Do so, please?—On any vacancy in the rolls at the present time the lord must serve notice to the tenant of his willingness to enfranchise, and the tenant can enfranchise or not. If the tenant initiates enfranchisement after that he has to pay the costs. I think that in these cases whichever party initiates the enfranchisement on an appeal to the umpire the costs should be in the jurisdiction of the umpire. Then I think the tenant on the rolls should be able to agree for a sum for enfranchisement, that is to say, should be able to enfranchise, the sum to be payable on his death or on the sale of the property—to be a deferred payment and not an immediate payment. These men clear their property for their lives really when they take it up, and enfranchisement afterwards is a very inequitable thing I think, unless it is done by a deferred payment.

23,430. Has it to be paid in the lump in every case at present?—No, it has not; it is paid sometimes by rent-charges, but they are very undesirable. In practice those rentcharges are about as undesirable as you can possibly have anything. For instance, a landowner enfranchises his property subject to a rentcharge and at his death it is sold. Each of these purchasers has to give and take cross covenants with reference to that rentcharge if he is to be at all secure for the future.

23,431. How would you make the money payable?—I would make it payable in a lump sum. I would make it possible for a man to enfranchise for the payment to be made on his death. I say that to make a man take up his copyhold and to enfranchise too is practically clearing it for his life twice over, and it is very inequitable.

23,432. You discourage the creation of rentcharges?—Yes.

Small holders.

23,433. (*Sir Nigel Kingscote.*) As regards these plots of land, upon what size do you consider a man can live and bring up his family upon, how many acres would you say he would require to do that?—It is a little hard to say. I can give you instances of men who live on I should think about 12 or 14 acres.

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23,434. Freehold?—I am speaking of tenants now. These men so often have small accessories. For instance, they do a little hackney team work, higgling work as they call it; then they grow perhaps a few acres of carrots with a farmer.

23,435. That would not be gaining the whole of their living from the 14 acres?—No; I say it is rather difficult to say how many acres would do. There are a very few of them who do not do something extra.

Cultivation of small holdings.

23,436. It is all pretty good land?—It is all good land.

23,437. How do they get manure on to this land if there is no capital?—They often do not manure it for 15 or 20 years together; some of the land is never manured, some is.

23,438. But it still keeps up its fertility?—I think it does; it still keeps on cropping.

23,439. (*Mr. Little.*) Do some of them use artificial manures?—Yes, several of them use artificial manures with the spring cropping.

23,440. (*Sir Nigel Kingscote.*) I suppose now and then they compete with the early markets and get an extra price for the potatoes and other roots?—No, it is not early enough land.

Roads and drainage.

23,441. Do they have to pay drainage rates as well as road rates?—Yes.

24,442. Are they heavy drainage rates?—The drainage rates on these lands that they pay are 6*s.* 8*d.* to the middle level drainage, and then their internal drainage which comes often to 2*s.* and 3*s.*

23,443. The roads as a matter of fact are generally run upon the top of the banks, are they not?—This is practically a fen that has been cut by dykes into plots of land like allotment plots.

23,444. It is a peculiar plot of land then?—I should not say that it is peculiar for the fens.

23,445. May I ask why more progress has not been made in making roads in this particular parish or district that you are speaking of, as has been done in other cases?—It is very difficult to get them all to agree to do it. Then I think if you take the fen country pure and simple you will find everywhere of late years there has been very little done in the way of road making.

Small holdings.

23,446. (*Mr. Whitehead.*) How large are those small holdings, taking an average?—They vary, as I said before, from about four acres to fifty.

Rents.

23,447. What would be the average rent?—The average rent of the smaller holdings would be about two guineas an acre, plus 17*s.* 6*d.* taxes, which would be 3*l.* an acre for the smaller holdings.

23,448. Up to what acreage would that be?—That would be up to 20 acres.

23,449. And beyond that?—Beyond that I should say about 35*s.* and 17*s.*—about 52*s.* in all.

23,450. Up to 20 acres rent would be two guineas plus the 17*s.* 6*d.*

Rates and taxes.

23,451. Would the tenant pay the rates and other things?—I am putting all the rates and drainage taxes in bulk in the 17*s.* 6*d.*

23,452. Poor rates and all?—Yes.

23,453. What would the cultivation be on the smaller plots; would they be hand dug or ploughed?—All ploughed.

Cultivation of small holdings.

23,454. And manure, you say, is not put on for many years frequently?—Some few of them keep a few pigs and put a little manure on, but many of them are not manured at all.

23,455. Is it ploughed to any extra depth or only the ordinary depth?—Only the ordinary depth.

23,456. Still the fertility is maintained?—Yes.

23,457. What root crops were you speaking of?—Carrots, mangel wurtzels, and potatoes. I have known one of these small occupiers in harvest time, dig his carrots and wash them and send them up to Spitalfields and make between 30*l.* and 40*l.* an acre of them.

23,458. White carrots probably?—No, red carrots.

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23,459. Could they send mangel-wurtzels any distance with profit?—They would principally go to the London market.

23,460. Mangel-wurtzels?—Yes.

23,461. How far from the station would the farmers be generally?—The higher rented ones are pretty close to a station, but those with the lower rent are on the bad roads and some distance from a station—or many of them are.

23,462. Is anything done in the way of smaller vegetables such as lettuces, salads, and so on?—Nothing.

23,463. It is chiefly the bulky root crops?—Yes.

23,464. And potatoes?—Yes.

23,465. Yet there is a profit?—For a generation they have been extremely successful

23,466. Although the railway carriage is not convenient and the roads are bad?—Yes. The roads are not bad for all. Those nearer the town, the heavier rented ones, have no bad roads to contend with.

23,467. (*Mr. Little.*) And they are very good roads in the autumn very often, are they not?—Yes, very good.

23,468. And the produce goes away early?—It often goes away early.

23,469. The most successful men are those who get their produce away early?—That would be so.

23,470. (*Mr. Whitehead.*) What would be about the yield of wheat per acre?—I should think you might call it at from 4½ to 5 quarters an acre.

23,471. And a large yield of straw?—Yes, a fairly large yield of straw.

23,472. Which would be very profitable?—Yes.

23,473. It was profitable last year?—Very profitable.

Owners and occupiers compared.

23,474. Who are the most flourishing in these cases, those who own the small plots or the occupiers of them?—I should say the owners.

23,475. I mean occupying owners of the freehold and occupiers who are tenants?—I have hardly cases enough in mind to reply to that.

23,476. You can hardly say?—I could hardly say.

23,477. I think you told the Chairman that in most cases the small holdings are cultivated by the tenant and his family?—Yes.

23,478. Without any hired labour?—Yes.

Small holders and ordinary farmers compared.

23,479. Compared with other tenants in the neighbourhood—ordinary farming tenants—what would their relative prosperity be?—It is difficult to say. I think that a few of our largest fen farmers have been prosperous during the last ten years, but some of them are of exceptional ability. I think the smaller ones have not been so prosperous.

23,480. Then you can say that these small holders have not been so prosperous as the ordinary farmers?—I think that neither the ordinary farmer nor the small holder has been prosperous these last two years.

23,481. Not even in this favoured district?—Not during the last two years.

23,482. But then they are handicapped by the large rents they pay?—I think they are handicapped very severely by their rents.

Potatoes.

23,483. You mentioned the blackness of the potatoes. Were you alluding to the blackness which comes in the spring from long keeping or the blackness which comes from disease?—Neither; but all potatoes grown on fen land show a little trace of blackness about them; they all cook black or dark.

23,484. Would that be so in the early part of the season?—Not so much then, but they do, I believe, during the whole season more or less.

23,485. Not from disease?—Not from disease.

23,486. Are you aware that there is a new kind of disease which has appeared lately in some potato districts of that same nature, namely, that the potatoes are black inside, which is supposed to be due to a fungus; is that the blackness you are speaking of?—No, it is not that blackness; it is simply a natural blackness owing to the soil.

Copyholds. Enfranchisement.

23,487. Why was not complaint made to the Board of Agriculture that their scale had not been adhered to in the case of the enfranchisement of the copyhold you were speaking of?—Do you mean in the case of the valuers' charges?

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23,488. In all cases where their scale has not been adhered to as you have told us; would it not have been right to have pointed it out to them?—Take the two cases I mentioned; first of all the valuers' charges; I had no specific complaint to make in the case I mentioned, but I thought it was hard upon the tenants when they had no knowledge of what they had to pay in connexion with these things. With regard to adhering to the scale for compensation for the enfranchisement itself it was a special part of my bargain that I should not draw the attention of the Commissioners to it.

23,489. Then it should not have been complained of, should it?—Yes, I think it should, because I only gave it as an illustration that the scale was not recognised, as many men who do not recognise it often are in the position of umpires. I think it ought to be more strictly laid down.

23,490. But in that case it was, in point of fact, contracted out of, as one might say?—Yes.

Rents.

23,491. (*Mr. Clay.*) Who fixes these rents for the small tenants. Do you fix them yourself as land agent?—In some cases.

23,492. Is there no public competition?—None whatever. Many of the small lands in our neighbourhood are owned by little men, men who have just two or three pieces of land as their whole property to live upon, and they let those plots themselves.

23,493. I did not gather from you very clearly what is the average rent of those small holdings?—The average rent of these small holdings of three acres and three roods is 8*l.* 10*s.* That is something like 2*l.* 5*s.* an acre, I think.

23,494. What is the average rent of the land lying alongside, which is farmed by what you would call the larger farmers?—Something like half the money.

23,495. What is the reason for charging what is practically two rents for the small holdings?—In my individual case it is for this reason: that my employers are solicitors who are trustees for a lady who wants every shilling of her money; it was originally a bad mortgage, and she requires the money as much as the tenant does, so I am bound to make the best of it.

23,496. You are squeezing that much extra money out of the small tenant in order to keep the old widow up?—I quite allow that it is wrong, and I have given you my reason for doing it.

23,497. You are a party to it, I mean?—I am a party to it; I am sorry to be.

Cost of arbitration.

23,498. (*Mr. Little.*) You have told us about a case where the amount awarded was very much less than the costs of the arbitration. Do you happen to remember how much of the costs was the umpire's fee?—Yes, I think I do; I know it was less than my own.

23,499. I do not mean that; it was no very large portion of the costs?—No, it was not.

Small holders.

23,500. With regard to the small holders I think they are strictly confined to one description of soil, are they not?—They are.

23,501. You have in the parish two or three different kinds of soil such as clay and gravel on the high land, and then you have this fen soil?—Yes.

23,502. The small holders of whom you are speaking are all upon the fen?—All those that pay heavy rents.

23,503. And they will not touch any other part of the parish?—They will not.

23,504. Therefore the system is one which has grown up in consequence of the soil being particularly suitable for this cultivation?—It is so.

23,505. It does not extend to other parts of the district which are less favourable; it would be very difficult to extend it to the high lands?—You could not extend it to the high lands.

23,506. Not with any success?—No.

25,507. These small divisions of land date from two centuries back, I suppose; the fens were divided then?—I think that these were not laid out quite so long ago as that, but I cannot give you the date.

23,508. Was there not a considerable partition of the fens in the 17th century?—Yes, but I think these were subsequent.

23,509. Some portion of each parish was then laid out in large plots which still remain as large farms?—Yes.

23,510. And some portion was laid out in equal doles to each commonable messuage?—That was so.

23,511. And those still remain divided properties?—Yes.

23,512. There has been very little amalgamation of them?—None.

23,513. There has been very little division of the large farms?—Very little.

23,514. And the large and the small run side by side?—Yes.

23,515. The large farms and the large estates of to-day were large in the 17th century, and the small plots and the small properties of to-day were small in the 17th century?—That is so.

Roads.

23,516. With regard to the roads, these occupation roads are rather extensive in a fen parish, are they not?—They are very extensive with us.

23,517. Particularly where the land is divided into small plots?—Since this development of the root trade they have been very much worse.

23,518. When the whole of the produce is removed the traffic on the roads is very considerable?—Very.

23,519. Thirty tons of mangel wurtzel per acre, I suppose, would be grown frequently?—Yes, and more.

23,520. So 30 tons of mangel wurtzel would be carried along the road and also the whole of the corn crop too is removed up into the town?—Yes.

23,521. The whole of this produce is moved on these roads which become bad in the month of October probably?—They do.

Highway rates.

23,522. These lands all pay highway rates?—Yes.

23,523. They are rated pretty much up to the rent?—They are.

23,524. Therefore they pay a bigger highway rate than many lands which have a road close to them?—That is so.

23,525. That is rather unfair to the occupiers?—It is.

23,526. You desire to see some scheme by which these roads could be improved, and that improvement facilitated by giving the county council power to order the roads to be made partly at the expense of the owners?—Yes.

23,527. And partly at the expense of the ratepayers of the whole parish?—Yes. I quite recognise that if the owners had not to pay a considerable sum for these roads a parish would almost be impoverished by taking steps to remedy the neglect of the past, such a parish as ours for instance would.

23,528. Do you think that if a portion of the money, or the whole of the money were borrowed and the capital sum were repaid in a series of years, the owners should be rated towards that improvement?—That is so.

23,529. The thing would then be practicable without an exorbitant tax upon the occupiers?—That is so.

Owners and occupiers compared.

23,530. As to the comparative success of the occupying owner and the tenant, I suppose where there is a heavy mortgage the occupying owner is, if anything, in a worse position than the tenant?—I should have given a very different answer to Mr. Whitehead's question if I had imagined that it applied to anything but the occupying owner of one of these small lots.

23,531. I am entirely confining this question to the small holdings. You were asked which was the most prosperous, the man who farmed his own land or the man who hired; that depends, does it not, entirely upon whether the man has got a mortgage?—Entirely.

23,532. Most of these small holders, I suppose, would have a mortgage?—Several of them have.

23,533. And the whole thing would turn upon the amount of the mortgage?—Yes.

23,534. (*Mr. Everett.*) What rent would land of similar quality to this that is occupied in the smaller holdings make if it were in grass? I suppose you have some of it in permanent grass?—It would not lay down to permanent grass. The grass would run out in a few years; every year it would get worse really.

Small holders and agricultural labourers compared.

23,535. What is the comparative condition of the people in the villages where these small holdings prevail, as compared with the people in villages in the same district composed of ordinary agricultural labourers; which are the better off do you think—the agricultural labourers working for masters or the small tillers?—I think that these small holders have been better off, because they have been agricultural labourers, many of them, who had got rather forward in the world before they took these plots.

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23,536. But in the last few years they have been going back?—In the last few years they have been like some of the farmers. I think the landlords are exhausting them before they relieve them.

23,537. (*Viscount Cobham.*) Are there families employed upon the land?—Yes, they are employed very much upon the land.

23,538. They do not go away to other occupations?—No.

23,539. (*Mr. Everett.*) Where any of this land is near water carriage, by which the produce can be sent to London, does that add considerably to the value of the land?—Yes.

Water carriage.

23,540. I mean water carriage as compared with railway carriage?—We have some lands upon the other side of the town identical with these in quality, but having water carriage to them they have to go by water to the rail and then to be put on the rail, that prevents them having any carting down bad roads, but it adds a little lighterage to their expenses.

23,541. People cannot send by water the whole way to London then?—No.

23,542. I have been told that part of the fen land which has a good water approach over which it can send its produce direct to the London market by water has not gone down in value at all?—I should not have thought there would have been such fen land. I do not know of any, but it is possible there may be some. This fen land that I have been speaking of in small quantities will sell to-day at a higher price than I ever knew it to sell in my life.

Value of fen land.

23,543. Even now?—To-day. I was interested in three of these lots lately; two were sold by auction and one by private contract. They were less than four acres each, as I said before, and they made 240*l.* each.

23,544. Now—recently?—Yes, one of them I sold certainly in November, and the two others in October.

23,545. Were they bought by people intending to occupy them?—No, they were bought for investment.

23,546. By what class of people?—A butcher bought one and a cattle salesman bought two. They pay over 5 per cent now.

Rural depopulation.

23,547. (*Viscount Cobham.*) Have you any other point you would like to bring before us?—There is one thing I thought might be of some interest. In some of the villages in our neighbourhood depopulation seems to have been going on rather during the last two or three years, although they showed no traces of it previously. There is a village called Mepal, I have practically a large proportion of that land and the cottages there in my charge. It was a most thriving prosperous village apparently, within three or four years, with a great demand for cottages. To-day the cottages are beginning to empty, and the village is showing altogether signs of the depression far more than it had done in the previous eight or nine years.

23,548. Are there small holdings around Mepal?—I wrote to the Rector of Mepal with reference to it, and he has given me some little account. There are some small holdings there, and I had always understood there had been fairly prosperous. He says in his letter: "The farmers principally work at manual labour"—so that they are nearly all now small holders or partaking of that character—"and their sons remain "at home. We have several very small occupations "from 10 to 15 acres, and they try to live upon them, "but I feel sure they are worse off than a good agri-"cultural labourer who can take his wage on Satur-"day." Then he gives me a list of the men. The outcome of it is this: that the land has got entirely out of the hands of the ordinary farmer, or a large proportion of it, and it has got to the labourer, who is a very hard working man. I let a farm there the other day to a man who was a labourer only about 15 years ago. Now he is taking nearly a 100 acres of land, and he paid me a heavy sum on it. He has gradually saved sufficient to enable him to do this. The village in consequence is going down because these men simply employ their own family.

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23,549. On about 100 acres?—Yes. The rector says about this one man that on 60 acres—I see it is—he employs one labourer.

23,550. Are the small holdings diminishing in that village?—They have not very suitable land there—nothing like so suitable land as we have. Their land is not so good as ours and they have no rail within three or four miles of them.

23,551. Do you see any signs of depopulation at Chatteris and Wisbech?—No, I think that Chatteris has been a very prosperous village—or small town rather—right through the bad times. *Mr. W. H. Clarke.* 8 June 1894.

23,552. Have you allotments as well as small holdings?—We have a few allotments, but not any large quantity.

The witness withdrew.

Adjourned to Thursday next at 12 o'clock.

Forty-fourth Day.

Thursday, 14th June 1894.

PRESENT:

THE RIGHT HON. GEORGE JOHN SHAW-LEFEVRE, M.P. (CHAIRMAN).

Viscount COBHAM.
The Right Hon. BARON RENDEL.
The Right Hon. HENRY CHAPLIN, M.P.
Sir NIGEL FITZHARDINGE KINGSCOTE, K.C.B.
ROBERT GIFFEN, Esq., C.B.
Captain OWEN THOMAS.
FRANCIS ALLSTON CHANNING, Esq., M.P.
JOHN CLAY, Esq.
CORNELIUS NEALE DALTON, Esq., C.B.
ROBERT LACEY EVERETT, Esq., M.P.
JOHN GILMOUR, Esq.
GEORGE LAMBERT, Esq., M.P.
WILLIAM CUTLACK LITTLE, Esq.

HERBERT LYON, Esq., *Secretary.*
R. F. CRAWFORD, Esq., *Assistant Secretary.*

Professor HERBERT SOMERTON FOXWELL called and examined.

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23,553. (*Mr. Chaplin.*) You are, I think, a Fellow of St John's College, Cambridge; Professor of Political Economy in University College, London, and Examiner in Political Economy to the University of London, and the Institute of Bankers?—Yes.

23,554. I believe you have been for many years engaged in studying and teaching political economy?—For 25 years.

Experience in currency and banking.

23,555. Have you also given special attention to questions relating to currency and banking, and will you be prepared to offer evidence upon those points?—My attention was first called to this question of prices about the year 1880 by the late Mr. Jevons, and after that time I dealt more particularly with the question in connexion with a lecture which I gave in Scotland on the causes of irregularity of employment. It was from that time that I began to devote special attention to the question of prices.

23,556. You are aware, I believe, that this Commission has been appointed to inquire in agricultural depression, and that many of the witnesses who have come before us to give evidence have expressed the opinion that the main cause of the depression has been the fall in prices of agricultural produce, and it is on that question that I propose to examine you. I shall do so with the view of enabling you in the first place to put a general sketch of the whole question before the Commission, and then, having done that, I will examine you more in detail upon some of the various questions which no doubt will arise in the course of your examination. The first question I will put to you is this: Do you concur in the opinion which has been expressed that there has been something in the nature of a general fall in prices in recent years, including the prices of agricultural produce; and since when does that date?—Undoubtedly I concur in that opinion, and I should like to lay before the members of the Commission copies of a chart prepared by Mr. Sauerbeck showing the nature and extent of that fall. (*See* Appendix .) I have also prepared a large chart which is now hanging in the room, containing these figures upon a larger scale.

Fall in wholesale prices of commodities.

23,557. You put in this chart I understand with the view of enabling you to show the amount and the general character of this movement?—Yes. *Prof. H. S. Foxwell.* 14 June 1894.

23,558. Will you explain how it does that?—I ought to state, perhaps, in the first place, that the chart is based upon figures as to wholesale prices which have been prepared by Mr. Augustus Sauerbeck. It represents what is sometimes described as an index number. There have been various index numbers, seven or eight, of accredited authority; but after a careful comparison of several of these numbers I have come to the conclusion that Mr. Sauerbeck's is, upon the whole, the most carefully prepared and the one which best represents the general movement of prices.

23,559. (*Mr. Giffen.*) It was prepared, was it not, after the event to some extent, whereas some of the others were prepared before the fall of prices had taken place?—That is true; but I think that we have learnt a little during the discussions which have taken place during the last 25 years as to the principles upon which such index numbers should be constructed, and in particular from the committee of which Mr. Giffen was himself a member. The investigations of that committee have thrown a great deal of light upon the principle of index numbers.

23,560. The chart itself is not Mr. Sauerbeck's, is it?—That chart which is hanging up is not Mr. Sauerbeck's, but this smaller one which I have circulated is; it was published by him in this convenient form at my request.

23,561. (*Mr. Chaplin.*) Is there any material difference?—They are identical so far as I know, except in regard to the letter-press comments.

23,562. And you propose to make use of that chart in order to assist you in explaining to the Commission the effect of what is known as the index numbers?—Yes.

23,563. Upon the whole, you think that probably it is most desirable that we should take Mr. Sauerbeck's index numbers?—I think so; they are the numbers published by the Royal Statistical Society, and they seem to me, on the whole, the best.

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23,564. The results of the various systems of index numbers are, to a great extent, the same, I believe?—The coincidence is very remarkable.

23,565. But, on the whole, you have selected Mr. Sauerbeck's?—On the whole, yes.

23,566. Will you proceed to explain to the Commission what you desire to convey to them by that chart?—In the first place the percentages are calculated upon a base line taken as 100, which represents the average course of prices for 25 years, the 25 years beginning with 1853 and ending with 1877; that is to say, beginning after the first effect of the Californian discoveries had been produced, and continuing till after the fall had fairly set in, in 1877.

23,567. From 1853 to when?—To 1877 inclusive; that gives you 25 years.

23,568. And the base line represents the average price for those years?—For those years.

23,569. Of how many different articles?—I believe Mr. Sauerbeck has given 45 commodities latterly, but before 1846 there were only 31 commodities so chosen. The explanation of the principle of construction is given, I see, on the smaller chart which I have circulated to the members of the Commission; it is also given more fully in a paper which Mr. Sauerbeck read before the Royal Statistical Society in 1886, and which was published in the Society's journal.

23,570. Could you explain to us very briefly the effect of the chart?—The general course of prices, do you mean?

General course of prices since 1817.

23,571. Yes?—It begins in the year 1817 or 1818, just at the time when the resumption of cash payments was in contemplation. The course of prices before that had been much higher during the Great War; but, starting from that point, we find a general tendency to a fall, slightly checked about the years 1835 to 1840. There is evidently a slight rise there, which is more clearly shown in this copy of the chart that I have myself, upon which Mr. Sauerbeck has drafted an average line. You will see upon the copies which have been circulated, an average line marked by circles connected with dots, but that average line seems to me to be faulty in this respect, that it represents the average of 10 years ending with the year in question upon which the mark is placed. The effect of that is to project the average always, so that when prices are descending the average is a little too high, and when prices are rising the average is a little too low. There is great difficulty in so choosing an average as to get by statistical means a good average representation of a variable course of prices like the one before us. Four or five years ago I consulted several eminent mathematicians on this point. Amongst others the President of the Royal Society was consulted, and he expressed the opinion that there was only one satisfactory way of doing it, namely, by a hand drafted average; and that to avoid the suspicion of bias it was better to get the drafting done by a person who had nothing before him but the simple diagrammatic expression of the curve. I have here an average drafted, I believe, by Mr. Sauerbeck himself, but very fairly drafted, I think, in that way; and I should very much prefer, if I had time, to substitute that for the dotted line which appears on the copies which are circulated. If that average is followed it appears very clearly that there was a slight rise of prices about the years 1835 to 1841; after that the general fall was resumed, and continued until roughly about the year 1850, which marks the time at which the discoveries of gold in California and Australia had become important, and had begun to produce a decided influence upon prices. After the year 1850 we have a very considerable rise—a very remarkable rise, which attracted much attention at the time—up to about the year 1854; after which we see fluctuations due to speculative causes continued at a high level—at a level which I should say was slightly rising. That, again, comes out very clearly in the drafted line. The level is slightly rising for the period from 1853 to 1873, but we have the usual speculative fluctuations during that period. After 1873 it is clear that there is a very marked and continuous fall. What is most remarkable about that fall, I think, apart from its long duration, is its remarkable continuity, the very slight extent to which it is broken by speculative disturbances, otherwise I have only to call attention to its magnitude. The fall is from an extreme point of 111 in 1873—an average point of about 102—down to (when the last annual average was taken) 68. From the latest information that Mr. Sauerbeck has sent me, I find that the index number for May is 64, so that there has been a steady fall during the early part of this year from 68 to 64.

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23,572. To what do you attribute this general fall, which is indicated by the chart you have put before us?—Perhaps it would be convenient that I should analyse the curve to some extent, and explain what part of the variation I attribute to currency causes.

Different causes of fluctuation in prices.

23,573. Yes; will you state what are the causes to which you attribute the various fluctuations?—I wish to say that for the purpose of analysis, I think it is sufficient to remark upon three different causes of the fluctuations which we see given us in any such curve of prices. In the first place, you have fluctuations which are of a more or less accidental and temporary kind, due to fluctuations in demand and supply of commodities, and so forth, which we may describe as market causes, causing the peculiarly characteristic shape of that curve in particular places. Then it has been pointed out by economists for a long time past that there has been a tendency—at all events, there was a tendency up to the year 1873—to a fluctuation of a longer period, and, generally speaking, cyclic or periodic in its nature—a speculative fluctuation: a rise of prices during one portion of the period, followed by a fall, after the collapse of the speculative prices, and generally speaking occupying a period of some 10 years—or something like 10½ years as the late Professor Jevons thought. I think that that is pretty obvious upon the curve. It is pretty obvious that, besides those peculiar market fluctuations which give it an irregular character, there is a wave, a periodic fluctuation, every 10 years. That is fairly marked until you get to 1873, after which the curve becomes very continuous, I admit. I do not attribute that variation to the causes of which I wish to speak particularly to-day; I attribute that mainly to a speculative movement which seems to recur in that way; it has recurred, at all events, in the past at something like that interval of 10 years. But after setting aside the fluctuation due to market causes, and the fluctuation due to this speculative cycle, as it has been called, this credit cycle, there still remains an underlying movement, a sort of tidal movement, which has been called by the French mathematician and economist Cournot a great secular movement, because it goes on for long periods of time in the same direction. I wish to lay very great stress upon the character which distinguishes that movement: that it is not a movement which, as a rule, tends to correct itself. After the rise of prices owing to the speculative causes, you will probably get a fall. It was put to me once, I remember, by a merchant in Sheffield: "We do not understand "the present state of prices. We are accustomed to "expect four or five good years, and then four or five bad "years, and that we understand and are able to deal "with; but here we have a persistent movement." That persistent movement is in my opinion the underlying currency movement; and if you take the whole period before us here, from 1817 down to 1893 or 1894, you will see that from 1817 to 1850 there was a general currency movement in the direction of a fall of prices—at all events, a general movement which I will attribute as a matter of opinion to currency causes. After 1850 there is again a general movement, quite apart from the speculative movement to which I have referred, in the direction of a rise, terminating in 1873. After 1873 it is equally evident that there is a general movement in the direction of a fall.

23,574. What you mean to convey to us, I think, is this: that in your opinion there are three causes to which you refer these fluctuations in prices?—Yes.

23,575. One cause you describe as a market cause; the second cause you describe as the credit cycle cause?—Yes.

23,576. And those will, I understand, be always more or less liable to cause fluctuations?—Yes.

23,577. But over and above those, or underlying those, there is a greater or more permanent cause which you attribute to currency causes?—Yes.

23,578. (*Mr. Giffen.*) Would you not rather say "monetary" in preference to "currency"?—Yes, I think so. Both terms are rather ambiguous, but I do not object to the term "monetary."

23,579. (*Mr. Chaplin.*) We will deal with that afterwards; for the present it is quite sufficient to say that this permanent rise or fall underlying those other two

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causes you attribute to monetary causes?—I believe I use the term "monetary causes" in my notes of evidence, and perhaps I might repeat the expression here. The third kind of movement appears to me to be due to the scarcity or excess of the substance which forms the standard of valuation—in England, gold.

23,580. You distinguish between three causes, and it is necessary to do so carefully, I believe, in order to arrive at an understanding of the question?—I think so. I would observe that there has been great confusion on account of the fact that this distinction has not been recognised. Tooke has been referred to several times, I understand, in the course of recent discussions. Tooke, it appears to me, failed to grasp the nature of the third kind of variation. He was immersed in business no doubt, and practised in business, and was accustomed to study and observe market movements, and also the speculative movements; and I think that that, to some extent, disqualified him from seeing the general underlying movement. His mind was occupied with the details, the surface movements, if I may call them so. At any rate, there is no doubt that he did deny to a great extent the fact of the third cause which I have here mentioned.

23,581. (*Mr. Giffen.*) I do not think he quite denied the possibility of it, did he?—His argument appears to me to have been rather of this nature: there are sufficient explanations without taking that consideration into account.

23,582. (*Mr. Chaplin.*) Men engaged in business, I suppose, would be apt to refer all movement in prices, probably to the first opinion?—I think so; I think there is that tendency.

23,583. And you think that Tooke was rather governed by this view also?—I think so.

23,584. Are your views as to Mr. Tooke's opinion upon prices shared by other economists?—I believe so generally. They were certainly shared by Jevons, who, in his investigations of currency and finance, criticised Tooke's view, and said that we must admit the currency variation.

23,585. It has been held, I think, that Tooke's opinions have been rather superseded by those expressed by Jevons?—I believe that Mr. Giffen has held that view, and I certainly should endorse it strongly. Mr. Tooke, I think, was not accustomed very much to broad generalisations; I do not think that he had received that kind of training.

23,586. Shall I express your views if I say this: that although the two first causes you have named, namely, market causes, and credit cycle causes, have not been without their effect on the general course of prices since 1873, yet you consider the fundamental character of the movement in prices is due to monetary causes?—Undoubtedly.

23,587. (*Mr. Giffen.*) Mr. Tooke did not exclude the credit causes that you refer to, did he?—No; he did not exclude the credit cause. I ought to have said, perhaps, when speaking of Mr. Tooke, that Mr. Tooke's views were set aside by Parliament in 1844, when the Bank Act, the principle of which was supposed to have originated with Lord Overstone, was passed. Lord Overstone had always combated that opinion of Tooke's, and had maintained that the quantity of currency, by which he meant principally the quantity of note currency, had an important influence upon prices. I think we ought to recognise the fact that Parliament did set aside the opinion of Tooke in that case, and adopted the contrary opinion of Lord Overstone. Jevons, I think, would now be regarded as the classical authority, perhaps, on questions of the analysis of prices; and he distinctly, in the same way, insists upon the necessity of recognising this underlying cause to which I attach great importance.

23,588. Still it was rather a different point upon which he (Tooke) was overruled by the legislation of 50 years ago?—That was a rather different point; but it implied the same principle of the importance of the quantity of money.

23,589. But still it is the importance of the quantity of currency which we should consider?—Yes.

23,590. More than the quantity of standard money?—Yes, undoubtedly.

Effect of monetary changes of 1872 on prices.

23,591. (*Mr. Chaplin.*) Now, would you explain to us what you mean by the currency cause to which you attribute this fundamental character of the movement?—Are you speaking of the monetary change of 1873, and not of any other change?

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23,592. Yes?—With regard to the movement of prices in 1873?

23,593. We will deal with that first, please?—It appears to me to be due, no doubt, in the first place, to a scarcity of gold brought about in my opinion mainly by the demonetisation of silver, or what is generally spoken of as the demonetisation of silver, although of course it was not a complete demonetisation—it was a partial demonetisation, commencing in the year or about the year 1872–73. It was followed by a loss of the par between silver and gold, and the general fall of prices to which I have alluded.

23,594. When you speak of the demonetisation of silver, and, as I observe in your brief, of various measures restricting the monetary use of silver, do you refer to the legislation of various countries which resulted in the closing of the mints to silver?—Yes. I refer primarily to the adoption of a gold standard by Germany, the subsequent sales of German silver, the closing of the French mints to silver in 1873, or rather the commencement of the measures which ended in the absolute closing of those mints, and various other demonetisations of silver by other governments. I have a list here.

23,595. Previously to the time of which you speak the mints of France and certain other countries on the Continent were open to the free coinage of silver, I think?—The mints of France and of the Latin Union were; for practical purposes I think, we may say France, because the importance of the French mintage was so much greater than that of the other countries involved.

23,596. That is to say, that all the silver that was found anywhere in the world could be brought to these mints and converted into coin?—Yes.

23,597. And when it was converted into coin, I understand that it became legal tender money, that is to say, money in which debts could be discharged?—Yes. I wish to say that the conversion into coin, though it may have been the most usual way of dealing with the silver that was purchased, was not essentially the necessary way. The essential point of the transaction was that, in return for the metal, there was given back legal tender. Whether the metal was coined, or whether it remained in bars, was from that point of view perfectly indifferent; the essential thing was that the metal became money in unlimited quantities, and that there was a market open for unlimited quantities.

23,598. It became practically legal tender money available for the discharge of debts?—Yes.

23,599. Then silver at that time, if I understand you rightly, was placed in that respect by law in the same position which the law gives to gold now?—In England, quite so.

23,600. Am I right in understanding you to mean this: that all the silver as well as all the gold that could be found at that time was, so to speak, under the existing law in France and these other countries, potential money, and could be made available for that purpose?—Yes.

23,601. As a matter of fact, I suppose, a large quantity was made available, and in this way the volume of legal tender money in the world was steadily increased year after year, partly by silver and partly by gold?—Yes.

23,602. What effect did that have upon prices at that time; was the volume of money sufficient to keep prices steady?—Certainly; it follows from the curve that we have been considering, that the supply of the precious metals up to this time in the shape of money had been sufficient to maintain prices, or at all events, that prices had been maintained.

23,603. In 1873 there was a change; the law was altered and certain measures were carried. Have you the list of those measures?—Yes.

Demonetisation of silver in Europe.

23,604. Can you state the principal ones?—I have taken this list from the report of the United States Mint for 1893, pp. 22–24, and it seems to me to be a convenient list; but there is a more detailed list in Mr. Ottomar Haupt's book, *Arbitrages et Parités*. 8me edn, pp. 77–79. First, there was the adoption of a gold standard by Germany in 1871 and the sales of German silver beginning in 1873 and ceasing, as I understand, in 1879. It is understood that Germany has a considerable

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amount of silver still unsold—nearly one-half, according to my information. The second case of legislation mentioned is the case of Norway, Sweden and Denmark, who concluded a monetary treaty in 1872, which was ratified by Sweden and Denmark in 1873, and by Norway in 1875, for the adoption of a single gold standard. Then there is the case of Holland. Holland had used silver since 1847. In 1875 she introduced what was nominally a double standard at the ratio of $15\frac{5}{11}$, but the coinage of silver was prohibited; so that for practical purposes she was very much in the position that France is in now. Then, fourthly, the Latin Union by the treaty of January 1, 1874, agreed to limit the amount of five-franc pieces—that is to say, the legal tender silver money—to be coined by any country. Up to that time it had been unlimited, so far as the Convention of the Latin Union was concerned. But France had already begun a restriction on mintage, which produced its first effect in the shape of a delay imposed upon those who brought metal to the mints to be converted into coin.

Closing of the French mints.

23,605. Can you state the date at which the limit was first imposed?—The whole history of the thing is very minutely given by Mr. Hucks Gibbs. I have his tract here; I do not know whether it would be possible to read it entirely. Mr. Hucks Gibbs has described the whole series of restrictions in a tract entitled, "The "fall in the gold price of silver, and the closing of the "French Mint." This tract is founded largely upon information directly received from official sources by Mr. Hucks Gibbs. It appears that up to the date of the 6th of September 1873, there was no legal limit placed upon the coinage of silver in any sense, either as regards the quantity to be received, or as regards the due-dates of the *bons-de-monnaie*, or legal tender warrants which were issued against it. But on the 6th September 1873, a ministerial order directed that the mintage of silver five-franc pieces should be restricted to 200,000 francs per day in Paris, and 80,000 in Bordeaux. This was the first restriction of the free mintage of silver in France. From that period of the 6th of September 1873, owing, I suppose, partly to the agreement of the nations of the Latin Union to which I have referred, there was a continual increase of the delay, or of the time which must expire before the person taking the metal to the mints received back the legal tender money in return. That, of course, had the effect of a seignorage; it was the same thing as imposing a charge upon mintage. This charge steadily increased; but I do not think it is necessary perhaps to mention the various stages by which it was increased.

23,606. I do not know that that is of very great importance; can you state when the mint was closed?—The mint was absolutely closed by the law of the 5th August 1876, to the receipt of silver bullion, but it did not take effect, so far as the issue of coins was concerned, in that year.

23,607. Are you now searching for the exact date of the closing of the mints?—Yes. The law was passed on August 5th, 1876, and no legal tender 5 franc pieces were coined after 1878. I will verify those dates.

Suspension of silver coinage in Austria and Russia.

23,608. The right of free coinage, so to speak, ceased, I think, either in 1873 or 1874?—If by free coinage you mean coinage without any charge other than the ordinary seignorage, certainly that did cease on the 6th September 1873. Then Russia suspended the coinage of silver, except in the case of trade coins for use in China in September 1876. Austria suspended the free coinage of silver in 1879, and adopted a gold standard in 1892. Then we come to the case of the United States, which can hardly be spoken of as a case exactly of demonetisation, because the United States, up to the year 1873, had been practically using inconvertible paper, and very little, if any, coin. In 1873 the gold standard was adopted by the United States in this way—the legal tender silver dollar was slipped out of the list of authorised coins. An Act was introduced regulating the operations of the mint, and the legal tender silver dollar was omitted from that Act, which was equivalent to a demonetisation, the remaining silver coins being merely token or fractional money. Silver was still purchased by the United States after 1873 for trade dollars, for use in the East, and it was also purchased to replace fractional paper currency in the years 1873-75. The Indian Mints were closed on the 26th June 1893. I think that completes the most important measures, at all events, affecting the use of silver as legal tender money.

Adoption of the gold standard by the United States.

Closing of Indian mints.

23,609. (*Mr. Everett.*) You have not named Italy, have you?—No, Italy is not given in this list. Italy adopted the gold standard. [The decree for the resumption of cash payments was issued on 1st March 1883.]

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Adoption of gold standard by Italy.

23,610. (*Mr. Giffen.*) In 1885 or 1886, was it not that Italy adopted the gold standard?—I think it would be something like that date.

23,611. I know I gave evidence about it in 1887, and I spoke of it as going on at that time?—Yes; it would be about then.

23,612. (*Mr. Chaplin.*) Was Italy one of the countries in the Latin Union?—Italy was one of the countries in the Latin Union.

The Latin Union.

23,613. I think I am right, am I not, in saying that the mints of France, and all the other countries in the Latin Union were closed practically about the same time?—To silver, yes.

23,614. Would you state what are the countries of the Latin Union?—There is a convenient history of the Latin Union given by Mr. Henry Chevassus, which was read before the Institute of Bankers in the year 1886, on October 20th. I have a very short abstract of the paper here. The Union was first proposed to France by Belgium, with a view to the adoption of a gold standard, in 1865, and it ultimately included France, Belgium, Italy, Switzerland, and Greece, which came in later than the others.

23,615. (*Mr. Giffen.*) What time did Greece come in?—I do not know that, but I can give you the date, 1868.

23,616. But there was no agreement amongst them to coin at a ratio?—There was no agreement for free mintage.

23,617. There was an agreement to accept the coins mutually when coined; was not that the nature of it?—I think it went further than that—that they would coin certain specified coins at the ratio of $15\frac{1}{2}$, and at a given standard, a line being drawn, of course, between the legal tender coins and the token coins.

23,618. (*Mr. Chaplin.*) At all events, up to that date of which you are speaking in regard to those countries, that is to say, France and the other countries of the Latin Union, which I think you say included France, Belgium, Switzerland, Italy, and afterwards Greece, silver could be taken by right to the mints of those countries, and they were compelled to take it and deliver legal tender money in its place?—But not under the Latin Union; it was so as a matter of fact by the national regulations of the various countries.

23,619. (*Mr. Giffen.*) That would not apply to Italy, which was a country of inconvertible paper?—There would be no *de facto* coinage there. I have here the Convention summarised, if the Commission would be interested in hearing the exact terms.

23,620. (*Mr. Chaplin.*) The Convention was passed at what date?—In 1865.

Effect of the monetary changes.

23,621. I will ask you about the earlier dates afterwards. What is your opinion as to the main results of these monetary changes which you have been describing?—It appears to me that they necessarily caused a contraction of the monetary basis of the world's prices—what I should call the world's valuation—by, to a very large extent, excluding silver which otherwise would have been presented at the mints and would have been turned into legal tender money, and would have supported prices.

23,622. I understand you, that the first effect then would be this, that there was an increased demand for gold due to the disuse of silver?—Yes, undoubtedly; and that was a demand which Mr. Goschen estimated at 200,000,000*l.* sterling about the year 1879.

23,623. And then, taken in conjunction with the expanding wants of the world, the requirements of the newly opened-up countries would greatly increase the demand for gold?—Necessarily; and, I may add, at a time when the production of gold from the mines was falling off.

23,624. There was no corresponding additional supply of gold at that time, I understand?—No, the supply was diminishing from the highest point reached in 1852.

23,625. Consequently, the value of the metal would naturally rise?—It would necessarily rise, if we take into account the increase of population and the opening up of other countries.

23,626. That would bring about a fall in prices?—It appears so to me.

23,627. Then should I be right in saying that in your view the first result of these monetary changes was to cause what is known as the appreciation of gold?—Yes. Might I put in the figures of the falling off in the supply of gold which might be interesting?

Appreciation of gold.

23,628. If you please?—The supply was exceptionally large in 1852; it is stated to have been 36½ millions; but if we take the next year, 1853, which is more representative, it was 31 millions; in 1874, the supply of gold had fallen as low as 18 millions; and it was just at that time that additional work was thrown upon gold by the partial demonetisation of silver.

Divergence of relative values of gold and silver.

23,629. Then the appreciation of gold having been the first result of these changes, what other effect did they have; did they cause a divergence in the old relative values of the metals?—Yes, the ratio between gold and silver, which, to use Dr. Soetbeer's words, had shown remarkable stability from the year 1687, and had not varied very considerably from the point of 15 to 1 in the 18th century, and 15½ to 1 in the 19th century rapidly—I hardly know whether to say the ratio rose or fell, but the value of silver fell, as shown by a rise in the nominal ratio. The ratio starting at about 15½ to 1 in 1873 has risen to something like 34 to 1 in 1893, with a corresponding fall in the gold value of silver.

23,630. Then these monetary changes were followed at all events in addition to the appreciation of gold by this other consequence; that the relative value of the metals which up till that date had been about 15½ to 1, widened very greatly, till at last it has reached something like 34 to 1 at the present day?—Yes, perhaps 33 now.

23,631. And that process of divergence has been going on pretty nearly continuously since that date, I think?—Very nearly continuously, with the exception of a rise produced by American legislation in 1890.

23,632. In 1890 and 1891 there was a rise, was there not?—Yes. Perhaps I ought to say in reference to that point that I think I used the expression "Fall in "the value of silver:" which was an incorrect expression. The value of silver had been steadily maintained up till the year 1892: it had only fallen in relation to gold. I should have said a fall in the gold value of silver. It is gold which has risen, that is the factor in the situation which has altered; speaking merely of the period down to the beginning of 1893.

23,633. (*Mr. Lambert.*) You mean silver in relation to other commodities?—Silver in relation to other commodities has remained relatively stable; it has not seriously varied.

23,634. (*Mr. Everett.*) The change between the two metals has been a change in the value of the gold?—Yes.

23,635. Not a change in the value of the silver?—That is the way in which I regard it, undoubtedly.

23,636. (*Mr. Channing.*) Is that only down to 1892?—I except the year 1893, because since that time undoubtedly silver has absolutely depreciated in relation to commodities owing to the exceptional legislation of 1893.

23,637. (*Mr. Chaplin.*) By that do you refer to the closing of the mints in India?—Followed by the repeal of the Sherman Act.

23,638. Then may I take it as your general view that a consequence of these monetary changes has been first, the appreciation of gold, and secondly, a very wide divergence in the relative value of the two metals?—Certainly.

Authorities supporting view that gold has appreciated.

23,639. Now I should like to ask you some questions bearing upon each of these two points. First, as to the appreciation of gold. I believe that the fact of the appreciation is still disputed in some quarters, is it not? Can you state any other authorities in support of your view?—I think you could hardly say that it was disputed in very important quarters. There is one economist who has disputed it, namely, Dr. Forsell.

23,640. I am afraid I have heard the present Chancellor of the Exchequer dispute it, and I should regard him as a very important authority. (*Mr. Everett.* And the late Prime Minister.)?—Perhaps I had better put in authorities in the other direction without any further comment.

23,641. (*Mr. Chaplin.*) Can you cite any other authorities in support of your view that gold has appreciated?—I should like to cite in particular Mr. Goschen and Mr. Giffen.

23,642. We have had Mr. Giffen's evidence upon this subject, but we should be glad to hear it again?—The first quotation I have is from a speech of Mr. Goschen in the House of Commons on the 19th February 1883. It is reported in these words: "His point was this—"that as the result of inquiries that were now being "made, it appeared that there was—what could scarcely "be denied—a considerable appreciation in the value "of gold; and that that appreciation in the value of "gold had had a general effect on the prices of almost "all commodities, unless there were very special "counteracting circumstances." The last clause seems a little peculiar. I should have said that the general effect was produced in any case, although in certain cases there might have been counteracting circumstances which neutralised and obscured it.

23,643. (*Mr. Giffen.*) Then he speaks of the appreciation of gold as a cause instead of describing it as the same thing as a general fall of prices?—No doubt he means rather what you have described yourself in another place as a monetary cause when he says it is due to the appreciation of gold. Of course to ascribe the fall of prices to the appreciation of gold is as you say, merely putting the same fact in other words. What Mr. Goschen probably means is that he refers it to a monetary cause; I take it that that is the sense of it.

23,644. The distinction is not always clear to me. Nobody who has disputed the appreciation of gold, to my knowledge, disputes the fact of a general fall of prices?—No, certainly not. Then Mr. Goschen, in 1893, on the occasion of the debate of February 28, says: "I "do not know that the general view that the lowering "of prices is caused by the appreciation of gold could "be seriously questioned." There may be some difficulty in the form of expression, but the meaning, I think, is clear.

23,645. (*Mr. Chaplin.*) What was the date of his first speech?—In 1883, and the second was in 1893. Mr. Giffen, in December 1888, in a paper read at the Statistical Society on "Recent Changes in Prices and Incomes Compared," says: "The fall of prices in such "a way as to amount to what is known as a rise in the "purchasing power of gold is generally, I might almost "say universally, admitted." In the same paper he also says: "The quantity of money in supply and the "demands upon it were certainly assumed to have "some connection with prices, the theory of the connection having never before been disputed to my "knowledge."

23,646. That was in what year?—1888. Mr. Giffen goes a little further in his Essays in Finance, and argues that a fall of prices may be regarded as the normal condition of things, because improvements in the production of the metals, even if they were proportionate to those in the production of the commodities, would only affect the small annual increment of money which is added to the general stock, and would not produce an equivalent increase in the volume of the total stock of money, as they do in the volume of the total stock of commodities.

23,647. (*Mr. Giffen.*) Can you give me a reference?—I am sorry to say that that is a passage to which I have not the reference. I have, I believe, in almost every case, the reference, but for some reason I have not that; I believe I could easily find it. It interested me very much when I read it, which was some years ago, and I put it down at that time, but I was not so careful about my references then. Here is a passage to which I have a reference, in the Essays in Finance, volume 2, page 30, in which the same idea, I think, occurs:—"There is an intrinsic difficulty in the way of an "increase of a standard metal used as money proportionate to the increase of the commodities which "it moves. As the latter"—the commodities—"are "renewed incessantly, an increase of the means of "production increases the whole mass on the market "at any given time. As the precious metals in use, "however, exist in masses enormously greater than "the whole annual production, an increase of the "means of production equal to what takes place in "other commodities only means in the case of gold "an increase of a fraction of the whole mass in use. "There is accordingly a permanent tendency to change "in the relation of commodities to gold." That was

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the passage I had in mind, and I had mislaid my notes. Then Mr. Giffen, in 1888, in the debate on the paper to which I have referred, in reply to Mr. Bourne, pointed out what he has just remarked, that a fall of prices is an appreciation of gold, and that that must be taken to be the meaning of the phrase "Appreciation of gold;" and in that expression of opinion Professor Marshall, and others who were present, concurred.

23,648. That was the view of Professor Jevons, I think?—It was. Then Mr. Giffen goes on—these are my words not his: 'If you ask the further question as 'to the cause of the alteration in the ratio between 'gold and commodities'—this is Mr. Giffen's answer in his own words: "You can say positively that as "between the two periods, 1850-70 and 1870-88, there "is an obvious and palpable change in the movement "of one of the factors, namely, the metal, which you "do not observe in the movement of the other factor" —that would be the commodity; the change, in fact, had been on the side of the money. There are many other passages in Mr. Giffen's well known essays, where he points out the contraction of gold following upon the events of 1873, and foretells that there will be a contraction of prices, a fall of prices corresponding to it. I, perhaps, need not quote those passages.

23,649. (*Mr. Chaplin.*) Then we may take it, I suppose, that in your view the high authority of Mr. Giffen is at one with you with regard to the effect of the appreciation of gold?—I think so.

23,650. That is what you gather from his statements?—I should perhaps like to mention this: Mr. Goschen referred to this point in his speech of February 28th, 1893, when he quoted Mr. Giffen's view to that effect. Unfortunately in the published report of that speech the whole effect of the quotation was altered by the omission of the word "not," and Mr. Giffen was reported to have said, as quoted by Mr. Goschen, that "We cannot know positively that the recent change "from a high to a low level in prices is due to any "change in money"—the fact being that he had said exactly the reverse. I noticed it at the time, because I remembered the passage, and I looked it up, and I found that in the "Times" report the word "not" had been somehow or other inserted, which entirely upset Mr. Goschen's argument. Perhaps I might make one more quotation from Mr. Giffen, if he will excuse my quoting him in this way — that is, that Mr. Giffen went a little further in one of these essays in 1879. He says: "The moral of much that has been said is "clearly this, that if possible the scarcity of gold "which has contributed to the present fall of prices, "and may have further serious effects in future, "should, if it be possible, be mitigated, and should at "any rate not be aggravated by legislative action."

23,651. (*Mr. Giffen.*) That was in 1879, was it not?—That was in a paper on the fall of prices.

23,652. In 1879?—Yes.

23,653. Before a large part of the fall had taken place?—Yes, and before some of these measures of demonetisation, certainly.

23,654. (*Mr. Chaplin.*) Have you any others that you would like to bring before us?—There is just that remark of Mr. Goschen's which has always struck me. He said, I think, at Manchester—I could find the reference,—"The case seems to me to lie in a nutshell..... "You have the decreased production of gold; you "have the increased production of commodities; and "you have the fall in prices which these two factors "ought to produce. It ought to have produced it, and "the fall is there; but, somehow or other, there are "many persons who are furiously angry if people "contend that there is any relation between the cause "and the effect." That represented his view at that time; that the matter was quite clear; that the cause was a monetary contraction. It was in an address to the Manchester Chamber of Commerce in June 1885.

23,655. Have you any other authorities you would like to refer to?—I think I would like to remark that Mr. Giffen observed that this fall of prices might be long continued. He says in December 1888, quoting, I think, a passage written in 1883, if I rightly understand my notes, "We may have a long continued fall "of prices from generation to generation, and this will "probably have very great effects as time goes on. "We may perhaps have what may be called a perma-"nent transition period as far as I can see."

23,656. (*Mr Giffen.*) That is "might have"?—Might have, then.

23,657. A doubtful opinion?—Yes.

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23,658. And subject to what was going on in the Transvaal, I think?—I do not quote it for much more than this, that I think you pointed out that this is no ordinary periodic or cyclic movement, but might be a continued movement in the same direction unless the causes at work were modified. "All the evidence," Mr. Giffen said at that time, "seems to me to point to "a continuance of of the appreciation. . . . All "these facts point to a continued pressure upon gold." With that view I should entirely concur. I would even say that it seems to me now, looking at the question from the point of view of present facts, that I see no reason to expect, unless there is a change by legislation in the attitude towards silver, that we shall have any considerable recovery of prices; there might be a temporary recovery but nothing permanent.

23,659. (*Mr. Chaplin.*) You mean to say that the opinions you have been quoting from Mr. Giffen's writings some years ago have been born out thoroughly up to now by the results?—Yes.

23,660. And you anticipate no change in the future, but rather that the fall will continue?—There has been a certain change in the circumstances, especially as regards the production of gold, but that change has not seemed to me sufficiently important to neutralise the general effect of the demonetisation and disuse of silver.

23,661. Have you any other authorities that you wish to cite in support of the view that gold has appreciated?—I do not know exactly where to begin with the authorities. I do not think there is very much to be gained by citing them. As far as I know, all the economists practically agree about that. I have a number of names on one of my papers.

23,662. (*Mr. Giffen.*) Not Mr. William Fowler?—No, I was thinking of theoretic or professional economists rather.

23,663. (*Mr. Chaplin.*) It is the fact, I think, that Lord Iddlesleigh's Commission on the Depression in Trade and Agriculture in its majority report expressed a strong opinion as to that?—Yes, I think I have a reference to that.

23,664. (*Mr. Everett.*) It was in an interim report, was it not? They paused in their work and made a special report on that subject?—I have just noted here that that view was accepted by Professor Jevons, by Dr. Soetbeer, a monometallist and perhaps the author of demonetisation as much as that can be referred to one man, by Lord Beaconsfield, by Mr. Balfour, by Mr. Goschen, by all the British economists, so far as I know, and by the Indian Government. These authorities accept the fact of the appreciation of gold, and they go further, all of them, and attribute it distinctly to the demonetisation of silver—even Dr. Soetbeer.

23,665. (*Mr. Chaplin.*) I suppose we may take it, then, to be your opinion that the effect of the appreciation of gold has been clearly established almost beyond dispute?—Yes, that is undoubtedly my opinion.

Views of French economists on bi-metallism.

23,666. (*Mr. Giffen.*) Can you tell us anything of the opinion of French economists?—I have never taken a very great interest in the writings of what may be called the official school of French economy. They seem to me very high and dry; we derive no ideas from them. The science has derived no movement in any way from them. The most active school now in France is the school of Montpellier, and the head of that school, Professor Gide, has accepted the general view of those who are called bi-metallists. As to the official school in Paris, it is, I think, pretty well known that they are inclined to monometallism almost without exception, but I am not aware that they deny these facts of which we are now speaking.

23,667. Has M. Leroy-Beaulieu expressed no opinion?—I do not know of an opinion that he has expressed against the views above stated as to the fact and cause of the fall of prices. He is not in favour of bimetallism; I am aware of that. But I ought to point out that M. Leroy-Beaulieu accepts the view, that the quantity of money is of the greatest possible importance, because, he observes, as Mr. Goschen pointed out in one of the monetary conferences, that the discovery of the precious metals may have been said to have saved France from bankruptcy in the year 1850. That was attaching a very marked importance to the advantage of a rise in prices.

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Supply of gold from Africa.

23,668. (*Mr. Chaplin.*) Then I think you said that this process of appreciation had hitherto been progressive, and that you expected it still to continue?—I do upon the whole. I think that although we are receiving larger supplies of gold from Africa, there is no reason to apprehend any very considerable supply from Africa. I have consulted on that point the best geological opinion I could find in this country—the opinion of those who are specially petrologists, and interested in rocks and minerals. They hold the view that there is no reason to expect an excessive supply; in fact, it was put to me by Mr. Teall, who is one of the most distinguished of English petrologists, if not the most distinguished, that in regard to the precious metals, it was rather a question, no doubt, of metallurgy than of discovery, whether their quantity was likely to be increased; but that upon the whole there was no reason to apprehend an excessive supply in regard to either metal—either gold or silver; in his opinion the danger and the probability were in the other direction. It is well known that the most eminent Austrian geologist, Suess, is very strongly of that opinion. I have several quotations from him here, in which he says that practically gold mono-metallism is absolutely impossible for the world as a whole.

23,669. (*Mr. Giffen.*) Was Suess acquainted with the condition of things in the Transvaal when he wrote his book first of all?—I have his later book here, written in 1893, and there he goes most minutely into all the conditions of mining in the Transvaal. The other day I consulted the best general geologist I know, as to the reputation of Suess, and I was told that not only was he a specialist upon the mining of the precious metals, but that he was a man of marked intellectual power, who stood head and shoulders above most European geologists. This came to me from a gentleman who knows nothing of the monetary question, and who was judging Suess merely on his geological reputation.

23,670. (*Mr. Chaplin.*) Then I may take it that you see no reasonable prospect at present of gold being discovered in sufficient quantities to have the effect of arresting this process of appreciation?—I do not like to express an opinion upon that point, for really my opinion is worth nothing; it is entirely second-hand; but so far as I have been able to obtain information bearing upon the point, it certainly is the conclusion I have formed.

23,671. Is this not the case: that the important point in connexion with this question is not the amount of the annual output, but the existing mass?—Certainly.

Production of gold since the XVth century.

23,672. Can you tell us at all what the production of gold since the 15th century was estimated at, in the report of the Gold and Silver Commission?—I do not happen to have that figure with me, I think, but I have the figures of the annual production from 1850. It would certainly, I should think, be 20 times the annual production—something in that proportion.

23,673. I will ask you this question: whether you are aware that in section 44 of the first part of the final report of the Gold and Silver Commission it is stated as follows: "Dr. Soetbeer's estimate of the production of gold since the end of the 15th century is 1,553,415,000*l.*"; you are not acquainted with that?—1,500,000,000*l.* millions of gold alone?

23,674. Of gold alone; of the production of gold since the end of the 15th century?—No, I was not prepared to find it quite so large as that.

23,675. Do you know what the annual output at the present moment is?—I have not the annual output for 1893. It will be higher; but in 1892 the output of gold was 26 millions. I believe it is now over 30 millions.

23,676. Even taking it at 30 millions, or more than 30 millions, I apprehend then that if Dr. Soetbeer's estimate is anything like correct, the addition of 30 millions to the existing mass is merely a fractional addition?—Yes.

23,677. And would not have any great effect upon prices one way or the other?—I should like to mention too, that we must expect an increased demand for the use of gold in the arts as the world grows richer, for watch cases and purposes of that kind, which, in the opinion of many persons who have given attention to the subject, will, in itself, soon be sufficient to require the whole annual production. I know that is the opinion of one gentleman for whose opinion I have a great regard in these matters.

23,678. If you are right in your view, then we must look forward to a period of a still further fall in prices?—Yes, on the whole I should expect that.

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Probable further fall in prices.

23,679. (*Mr. Giffen.*) And an immediate fall of prices would you say? What is going to happen in the next five years?—I am never anxious to prophecy. I should avoid prediction in general, but if I were going to predict I should always object to predict what might happen in a specified year, because we might have one of these market movements, or one of these speculative movements intervening which would entirely upset the general effect of the currency change, but I should say that the general movement in the next 30 years would on the whole probably be downwards. It is always subject to some astonishing discovery of gold which might take place, but which I do not know that there is any particular reason to suppose will take place. My chief reason for qualifying that expression of opinion would be that a very large amount of capital has been sunk in the Transvaal—in the South African fields—by persons who are usually prudent in their investments and who presumably would not have sunk that very large amount of capital unless they had reason to anticipate some return for it. That, I admit, rather goes against the view I have expressed, but still I adhere to that opinion.

23,680. (*Mr. Chaplin.*) Then we must rather be prepared for a further fall in prices?—Yes. I should like to say this too—that the demonetisation of silver is not quite complete, we are not at the end of it, but if nothing is done to reinstate silver as a monetary metal, I apprehend that the demonetisation will be carried out to the bitter end. The introduction of a gold standard in India, for example, would bring about a fall of colossal magnitude. I would also say, and I would set this against a possible increased production of gold from the South African field, that we have a certain diminution of legal tender money in the cessation of coinage under the Sherman Act, which is very considerable. The void caused by that cessation must be filled by gold, and if you take that into account together with the probable increased demand for the arts, I think we may fairly set that off against that probable increased yield from the South African fields.

23,681. (*Mr. Everett.*) By how much would you consider gold has risen now, as compared with 20 years ago?—The exact amount in fact of the fall? I should say that prices have fallen rather more than 33 per cent.—I take that as a round number—not from 1873; the fall is much greater from 1873; but from the average of the 25 years before 1877. If we translate that into its equivalent terms it amounts to this, that gold has appreciated 50 per cent. in those 20 years. In other words, if we say that prices have fallen 33 per cent. it is the same thing as saying that gold has appreciated 50 per cent. I put it this way: You want 66 sovereigns now to buy what 100 sovereigns would have bought, that is two to buy what three would have been required to purchase in 1873; therefore each of those two sovereigns now is worth 1½ times as much as a sovereign was worth in 1873, therefore the value has appreciated 50 per cent. That was a point that I missed myself, I must admit, in writing on the subject two years ago, but I think it is quite clear that that is so.

23,682. (*Mr. Chaplin.*) Then if you are right in your view and if nearly all the witnesses who have given evidence before us are right that the chief cause of agricultural depression is the fall in prices, it follows I think that agriculture is suffering now severely from one of the results of the monetary changes, namely the appreciation of gold?—That is very distinctly my opinion.

Effect on agriculture of divergence in ratio of gold and silver.

23,683. But that is not the only result; you referred to another; you said there was a second result which also affected the agricultural position, namely the divergence which has arisen between the two metals in consequence of the appreciation of gold?—Yes.

23,684. Is agriculture especially affected in any particular way by that divergence?—I think so.

23,685. Is it this divergence, which in your opinion explains the fact that certain countries like India appear to be able to send wheat here at a profit even at the present low price of 19*s.* and 20*s.* a quarter?—Yes, I should certainly say so.

23,686. Will you try to explain that to the Commission?—It appears to me that certain countries using a silver currency have not been subject to the fall of

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prices. The cost in those countries of raising wheat is pretty much the same to-day as it was in 1873 so far as the monetary question is concerned; it is really rather less because of the reduction in freights and the development of railways in India and other causes of that kind. At all events I am safe in saying that they can easily afford to raise their wheat to-day for as much silver—not more at all events—than the silver which it cost them in 1873. That being the case, their wheat could be put in Mark Lane at the same silver price that it was put at in Mark Lane in 1873—at a lower silver price as a matter of fact, but that is still more in favour of my argument. Now, at the present ratio of exchange between silver and gold, the same amount of silver is only worth half as much gold as it was worth in 1873. Hence, as the cost of raising wheat in India, measured in silver, has not increased since 1873, it is evident that the Indian farmer can afford to sell his wheat in 1893 at half the gold price he could accept in 1873. Perhaps I had better put the matter in rupees which makes it a little clearer.

Effect of fall in gold value of rupee on Indian wheat grower.

23,687. Yes, if you will kindly do so?—You were good enough to submit to me some evidence of Messrs. Ralli, laid before this Commission; from this evidence it appears that in 1892 the low sterling price of wheat left the Indian farmers as much profit as it did in 1873, when the sterling price was 100 per cent. higher.

23,688. (*Mr. Giffen.*) That evidence was given before Lord Herschell's committee, was it not—I should like to have the reference exactly?—I think I found it in one of the answers given by one of the witnesses before this Commission. [*See* Q. 4771, &c.]

23,689. (*Mr. Lambert.*) By the low sterling price you mean low gold price?—Yes, that was evidence that the Indian farmer can raise his wheat just as easily at a gold price to-day, which is one half the gold price of 1873. It stands to reason that the English farmer is not able to do that. The adjustments to which reference has been made have not taken place to such an extent that he is able to raise his wheat to the same profit at a price of 24*s.* as at the old price of 56*s.*, or 50*s.*

23,690. (*Mr. Chaplin.*) May I put it to you in this way: Is it not the fact that when the price of wheat was 2*l.* a quarter and the rupee was worth 2*s.*, the Indian grower of wheat at that time got 20 rupees for his quarter, because 20 rupees at that time exchanged for 2*l.*?—Yes.

23,691. Now the price of wheat has dropped to 1*l.* a quarter in England, but the Indian grower still gets 20 rupees, because the rupee has fallen to 1*s.*?—Yes.

23,692. And at that rate the 1*l.* per quarter which he gets for his wheat will exchange for as much as 2*l.* did before?—Yes. I put it in this way, that the Indian grower consequently has a relative advantage. The expression "bounty" which has been used very often in connexion with this has been objected to by some persons, and is not strictly accurate; but it is perfectly clear that there is a relative advantage on the side of the Indian grower, brought about by the price movement.

23,693. The advantage being this, I understand you, that although the price has fallen 50 per cent. in England, the Indian grower is still getting the same number of rupees that he got before?—Yes.

23,694. Will you go a little bit further and answer this question: Is it not the fact that in India up till quite recently, if not up till the present date, the purchasing power of the rupee in India has not fallen at all?—Not appreciably. I think there is a certain discrepancy in the evidence given, but I think we have no distinct evidence that the value of the rupee had fallen appreciably down to the end of the year 1892.

23,695. Are you aware that the 12 members of the Gold and Silver Commission were unanimously of opinion and put their names to a paragraph to the effect that the purchasing power of the rupee up to the time when that Commission concluded its labours had not altered?—Yes, I was aware of that and I agreed with that. It seemed to me that on the whole the purchasing power was a little higher, if anything, at that time.

23,696. Then the position of the Indian grower of wheat, I understand, owing to the divergence of the metals, is this, that he is able to place his wheat—his produce—upon the English market at the present price although that is 50 per cent. less than it was 20 years ago, without any loss to himself?—Yes.

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23,697. His position remains exactly the same?—Yes.

23,698. And owing to that fact he is able to depress the market price of wheat in other parts of the world?—I am unable to resist that conclusion. I know that it is disputed, but on grounds that I have never been able to follow.

23,699. That is your deliberate opinion?—That is distinctly my opinion.

23,700. Of the position as between the English and the Indian grower of wheat?—Yes.

Effect of appreciation of gold on British wheat grower.

23,701. (*Mr. Lambert.*) Then if gold has appreciated 50 per cent., the British grower of wheat ought to get the benefit of that?—If the adjustments consequent upon the appreciation of gold had been thoroughly carried out to the bitter end, if everything had fallen in England in exactly equal proportions, including all mortgages, all liabilities, all rates and taxes, all railway fares——

23,702. (*Mr. Everett.*) All official salaries?—Quite so.

23,703. (*Mr. Giffen.*) But not the cost of labour?—Yes, I should say the cost of labour too, though wages, owing to the introduction of machinery and other improvements in agriculture, need not have fallen in the same degree as the cost of labour, but I should like to go into that more fully in a separate way; I mean as regards the position of labour I think that is so very important that it almost requires to be discussed separately. In continuation I have only to say this, that these adjustments have not been made; that rates and taxes have not diminished proportionately in their gold value, that mortgages have not been written down necessarily—some may and some may not—that rents may not in all cases have been completely adjusted, in spite of the great reductions, and that in regard to all the investments of capital in the land of course they stand to receive a certain fixed rate of interest, and that has not been written down. Possibly, when all these adjustments have been made the English grower might find himself in the same position; but it is the process of making these adjustments which is the disaster which we wish to avoid.

23,704. (*Mr. Chaplin.*) And it must affect all those who have invested their capital, I understand, in any industrial undertaking?—Certainly; the case of a farmer is not peculiar except in the length of the period of his engagements.

23,705. (*Mr. Lambert.*) But that would somewhat tend to prove that if the adjustments were properly made there would be no need to complain of the monetary causes?—There I ought, perhaps, to draw the distinction, that if prices were to stop where they are now we should get accustomed to that position of prices in this generation, and the next generation would start afresh upon a perfectly independent footing, upon as favourable terms as during the time of high prices, I thoroughly and entirely agree. But if we are to look forward to a continuous fall, this disturbance to which I have referred, and which is practically a tax upon the productive industry of the country, will be continuing year by year.

Fall in prices due to appreciation of gold and divergence in ratio of gold and silver.

23,706. (*Mr. Chaplin.*) Then may I take it that this is your conclusion as far as the question of prices is concerned due to these monetary changes—that we are suffering agriculturally from two things, first from the appreciation of gold, which means a general fall in prices; and secondly from the divergence in the value of the metals, which means an additional and further fall in the case of articles which are the subject of competition in silver-using countries?—Yes. Might I first mention a passage which I have extracted from one of the leading papers bearing upon this bounty or advantage to the grower in countries where the currency has not appreciated. I merely mention it as showing that the view which I have adopted myself is one which prevails in commercial circles. It is a statement in relation to the condition of the wheat market. It refers to the supplies from the Argentine Republic, which is, of course, not a silver country, but a country with a currency which certainly is not appreciating—it is moving in a very remarkable way but, generally speaking, in the direction of depreciation, prices, that is to say, are not falling there, but on the whole rising in the local currency. The statement is this:—"After "a slight rally at the beginning of last week the

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"wheat market settled down into a deplorable state of "collapse once more, one alleged reason being the "advance of the gold premium in the Argentine "Republic to 316 per cent., or 44 per cent. higher than "it was a month before. The rise, according to Beer-"bohm, is equivalent to about 1*s.* 6*d.* a quarter in "favour of the Argentine shipper, which just covers "the decline in the price during the period. Argentine "wheat has been sold here at 20*s.* a quarter off coast. "and one cargo, it is said, as low as 19*s.*, a price never "touched before." That shows that the view is taken amongst business men that this variation between the movement of the currencies does affect the price of wheat.

23,707. (*Mr. Giffen.*) At the moment of transaction—at the moment of change?—Yes, but it is not exactly a moment; it is, as you say, a whole period of transition, a normal condition of transition. We have been engaged in the process ever since 1873.

Remonetisation of silver.

23,708. (*Mr. Chaplin.*) The result of the monetary changes having, in your opinion, been so injurious to agriculture, is it your view that the re-monetisation of silver would benefit the farming interest?—Yes, the conclusion seems to me inevitable.

Effect on silver.

23,709. (*Mr. Lambert.*) Will you allow me to ask the distinction. Do you take the agricultural interest or the tenant farmer pure and simple?—I had in view rather all the classes connected with agriculture as a whole, but no doubt, in theory, it would concern more directly and more immediately the employer, the farmer, the man who sets industry in motion. It would apply to the producer in all industries, and especially, I think, to the producer in agriculture. It applies mainly, no doubt, to the farmer.

23,710. (*Mr. Chaplin.*) Are you of opinion that it would have the effect of arresting this progressive and continuous fall in prices?—I think it would have some effect in that direction. Whether it would be sufficient altogether to maintain prices stable or not is a more difficult question, but it would certainly lessen the tendency to a fall. There can be no question whatever about that. My own impression is that it would give us a slight rise of prices.

23,711. Whatever the tendency to fall may be at present, and whatever the evil may be or the consequences of that progressive tendency to fall, the remonetisation of silver would at all events minimise it and lessen it?—Certainly, and the degree to which it would lessen it would depend very much upon the ratio selected—that is the value assigned to silver in terms of gold.

23,712. You are of opinion then that if there was a change it would probably be rather in the direction of a rise than of a further fall?—I should expect that, not only on account of the substantial effect of the remonetisation, but also on account of the moral effect in giving tone to business and causing a revival of business, which in itself would bring about inevitably a rise in prices. Anything which would relieve the present stagnation must inevitably bring about a rise to some extent.

23,713. If that view which you have just put before us is correct then it would have the effect of getting rid of what has been so repeatedly placed before us as the chief cause of agricultural depression, namely, the progressive fall in prices?—It would certainly lessen that effect. I ought, perhaps, to say that the fall of prices in agriculture is not only due to the currency disturbance. It is also partly due, of course, to certain circumstances that I have mentioned in the brief that I have put in relating to the competition of other countries which have recently been opened up.

Effect on agriculture of grants of free lots.

23,714. Would you like to say anything upon those points?—There is one of those circumstances I think rather important, and that is the artificial stimulus which has been given to farming by the grants of free lands in different countries. I do not know how long that is to continue. There will probably be some considerable check in that taking up of new lands, if only on account of the limitation of the land to be taken up. But I imagine that that offer of an independent means of living, which must necessarily be an agricultural means, has undoubtedly drawn many persons into farming who might have otherwise taken up other occupations. It is a substantial offer of a piece of property which they can only get in that particular way. That would have a tendency to diminish prices in England.

23,715. (*Mr. Giffen.*) But you cannot specify any countries at present where that is in operation to any extent?—I am not fully aware of the extent, but I should suppose it was going on in the western part of Canada, and to some extent in the Western States.

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23,716. I believe not in the United States now?—I remember a scramble for taking up a new territory some time ago, which was described in the papers.

23,717. (*Mr. Chaplin.*) That is one cause which, in your opinion, may also to a certain extent have affected the agricultural situation?—Yes.

Cheapening of freights and increased transport facilities.

23,718. What have you to say upon the question of the cheapening of freights, and the greater facilities of transport?—Undoubtedly that would have an effect in the same way, but it is evidently inadequate to account for the general agricultural depression prevailing in the world, because it ought to have improved the condition of the countries that send us wheat, whereas in America there have been complaints almost as loud as the complaints in England as to the depression of the farming interest. America should have profited by the cheapening of freights exactly as we no doubt have been injured.

23,719. So that the cheapening of freights would not be sufficient in itself to account for it?—No.

Agricultural depression confined to gold standard countries.

23,720. (*Mr. Everett.*) When you spoke of the general depression of agriculture through the world should you not have said with the exception of the Argentine Republic, and of the silver standard countries?—Yes, I should have said so certainly.

23,721. There is no agricultural depression there?—No; I meant, of course, simply in those countries whose currencies have been subject to the general fall of prices.

23,722. The gold standard countries?—The gold standard countries.

Remonetisation of silver.

23,723. (*Mr. Chaplin.*) Now, with regard to the remonetisation of silver I understand that you would be prepared to advocate that as one means and a very important means of remedying the agricultural depression?—Yes.

23,724. You are aware that there are people who contend, when you speak of a ratio, that the relative value cannot be maintained between the metals by law?—Yes.

23,725. You have put before us up to now that, in your opinion, the monetary changes that you have referred to have been very greatly the cause of agricultural depression, and you have given us your reasons for thinking so; have you any remedy to suggest or to propose?—The remedy would be naturally to return as soon as was practicable to the remonetisation of silver, that is to say, to the use of silver by international agreement as legal tender money at a fixed ratio to the mintage price of gold.

23,726. And you believe that to be a practicable proposal?—I have no doubt that it would be practicable if it were adopted upon a sufficiently wide basis. When I say practicable I mean that it would be comparatively permanent if adopted upon a sufficiently wide basis.

23,727. You are aware that some people still contend that it cannot be done?—Yes.

23,728. Is it not a fact that the members of the Gold and Silver Commission who examined into this question for something like three years unanimously reported that it could be done?—Yes, it was so, with, I think, a slight reservation on the part of two members.

23,729. (*Mr. Lambert.*) Who were those two?—Sir John Lubbock and Mr. Birch.

23,730. (*Mr. Chaplin.*) That reservation being what?—That they had some doubts as to whether the effect would be permanent. Their general statement was in these terms:—"We think that in any conditions fairly "to be contemplated in the future, so far as we can "forecast them from the experience of the past, a "stable ratio might be maintained if the nations we "have alluded to"—they were the United Kingdom, Germany, the United States, and the Latin Union,—"were to accept and strictly adhere to bimetallism at "the suggested ratio."

23,731. (*Mr. Giffen.*) What ratio was that?—It was a ratio, I believe, not very different from the market value.

23,732. The market ratio at the time?—The market ratio, I suppose, at that time—I do not know whether it means at the time when bimetallism was adopted.

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23,733. (*Mr. Chaplin.*) I think it means any ratio that was suggested?—I think the reference is here: "It appears to us that it should only be on the basis "of a ratio between silver and gold approximating to "the present market ratio of the two metals. It would "not, of course, be practicable for obvious reasons to "adopt as the basis of the arrangement what happened "to be the market ratio at the date fixed for its coming "into operation. It would probably be thought "desirable to take the average ratio of two or three "years." I should wish to offer an opinion upon that question if it is to be discussed.

23,734. I do not think we will enter upon that?—Dissent appears to have been expressed from that report, generally including, I suppose, that clause, by Sir John Lubbock and Mr. Birch. I think the important passage is this: "We feel also grave doubt as to section "107 of the foregoing report." That is the one I have quoted. Then some statements are made in regard to the cessation of coinage by the Latin Union, and then this sentence occurs: "No doubt the adhesion of "England, Germany, and the United States would be "a very important addition of strength, and we do "not deny that such a combination might for a considerable time be able to maintain the ratio adopted. "Having regard, however, to the great uncertainty as "to the probable future production of the mines, the "large use of the precious metals in the arts, and to "the number of countries which would still remain "outside the combination we doubt whether any given "ratio could be permanently maintained." It seems to be rather a question of time.

23,735. (*Mr. Everett.*) That is the opinion of the dissentient two?—Yes, and then Sir Thomas Farrer has a slight note: "I wish to add, for the sake—not of "dissent, but of distinctness, that I do not believe that "the change in the relations between gold and silver "currencies has lowered English prices"—that is another matter.

23,736. (*Mr. Chaplin.*) Subject to those explanations all the members of the Commission unanimously signed the paragraph expressing the opinion that a ratio can be maintained?—Yes.

23,737. (*Mr. Lambert.*) How many members were there?—There were 12, and there were two reports, each signed by six members, but the 12 members agreed upon signing certain other portions of the report.

23,738. (*Mr. Chaplin.*) I believe it is the case that they expressed very different opinions as to the expediency of adopting that proposal?—Yes.

23,739. But they all came to the conclusion that it was practicable?—That is how I read the report.

23,740. (*Mr. Giffen.*) They did not explain in detail in what sense it was practicable?—As to the period of time for which it would be practicable?

23,741. No; of the kind of practicability it would have; what would happen under it?—I am not aware that that was expressed in detail, but I think the inference may be fairly drawn that they thought it would relieve the fall of prices, because that was the point which was submitted to them for consideration.

23,742. (*Mr. Chaplin.*) Is it not the case that the point submitted to them and to which that decision referred was this: whether it was possible by international agreement to maintain a stable ratio between the metals?—I do not know whether that was in the original reference to the Commissioners.

23,743. Is that not the point to which the paragraph you have quoted referred?—That is undoubtedly the point to which the paragraph referred.

23,744. (*Mr. Lambert.*) Did they differ as to the method of bringing this object into force?—No, I am not aware that there was any difference at all; I do not think that the question of method was very closely considered—it was spoken of as free coinage, and so forth.

23,745. (*Mr. Giffen.*) Was it considered at all?—I do not know that I go quite so far as that, but it might have been considered further undoubtedly.

23,746. (*Mr. Chaplin.*) The general result of the report of those 12 gentlemen who were appointed to sit upon this question and to examine into it was this, that subject to the qualifications you have mentioned, on the part of two of them they all expressed the opinion unanimously that it was practicable by legislation and international agreement to maintain a stable relation of value between the two metals?—Certainly.

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23,747. Independently of arguments or the opinions by which they arrived at that conclusion?—That is so.

23,748. (*Mr. Lambert.*) Did they arrive at that conclusion by different arguments and different opinions?—I do not think there is any indication of that.

Free mintage of gold and silver

23,749. (*Mr. Chaplin.*) Putting aside the question of past experience, by which I mean the fact that for a great number of years during which a stable ratio was practically maintained, putting that aside, will you state your own reasons for believing that it could be done?—That would naturally include the explanation of the system by which we propose to effect it. What would be proposed would be the free admission—the free purchase perhaps I should rather put it—of either gold or silver bullion in unlimited quantities by the mints of the contracting countries, or by banks acting as agents for the mints, paying in return legal tender money, presumably I think of the nature of paper money.

23,750. (*Mr. Giffen.*) Not in the same metal that they give?—No.

23,751. You have a different idea?—I am not speaking of the question of free coinage particularly; I am rather speaking of what Mr. Dana Horton has called the free purchase of bullion, and I think we might perhaps, by a slight extension of the ordinary meaning of the word, call it "free mintage." The essence of the operation as I understand it is this, that in return for quantities of bullion of either metal the person tendering the bullion receives legal tender—not necessarily coin, that would be a pure matter of convenience and a question of small change. He might perhaps obtain coin by application at the bank if he required small change; but in general I take it the operation would be one of the purchase of bars either of gold or of silver bullion. The proposal was made in almost identical terms by Mr. Alexander Baring in 1819, when we were about to resume cash payments.

23,752. What would the paper say—what would be the promise to pay on the paper?—The promise to pay would be in gold or silver bars at the option of the Bank or Mint—the Government agency—which would be the Treasury probably in the United States, and in England the Bank of England.

Effect of free mintage of gold and silver.

23,753. (*Mr. Chaplin.*) Then will you state what the effect of that would be in maintaining the relative value between the two?—The effect it seems to me would be this, that neither metal could in the outside general markets fall below the price which would be thus offered for it freely at the mints in indefinite quantities. It is not easy to see how any owner of silver would ever sell it for any other purpose, in the arts or otherwise, for less than the price which he could obtain at the mints in legal tender money, money which would discharge all debts and serve all the ordinary purposes of money. The effect would be brought about in this way: if we suppose, for example, that gold became extremely plentiful owing to the South African discoveries, and that there was any tendency to lower the value of gold in the outside markets as compared with silver, that tendency would inevitably be checked by the fact that there was a permanent market as it were for gold open at the mints of the agreeing nations who stood bound to buy unlimited quantities of that gold at a fixed price. Therefore, I take it that the price of gold in the legal tender currencies of the contracting countries could never fall below the mint price.

23,754. (*Mr. Giffen.*) You speak of it as a purchase?—Yes; an exchange perhaps—well, a purchase, because the bullion would remain in the possession of the governments in exchange for which the legal tender money would remain in possession of the persons tendering the bullion.

23,755. (*Mr. Chaplin.*) Either metal under those circumstances, if I understand you, would be legal tender for the discharge of debts?—Yes.

23,756. Then if either metal were to fall below its legal tender—to use that term—there would be an immediate demand upon it, I suppose, by debtors for the purpose of paying their debts?—I do not like to put it myself as a question between debtors and creditors, because it would wholly be a question with bullion merchants. The debtor would pay exactly as he pays to-day by cheques and notes or instruments of that

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kind, which are based upon reserves in the banks, but the debtor would never consider what his note or cheque was based upon, whether upon silver or upon gold, any more than he does in France at the present day. If he draws a draft on the Bank of France he does not know whether that draft stands against silver or gold. It is not a question so much of the debtor selecting the metal, but it is rather a question of the bullion merchant dealing in bullion who would take his metal at once to the Mint whenever the difference between the Mint price and the market price offered him a sufficient inducement to move the metal to the Mint. That is the way in which I prefer to put it.

Influence of French bimetallic mints on stability of the rates.

23,757. Then your view as to the practicability of maintaining the stable relation between the metals by these proposals is borne out, is it not, by the actual experience of the past; is it not the case that during the years prior to 1873 there were very much greater variations in the production of the two metals than there ever have been since that time?—The history of the matter appears to me most remarkable in that respect, as showing a power which we could hardly have presumed beforehand, if we consider that there was only one country at that time effectively bimetallic, and offering this indefinite power of purchase to the holder of either metal.

23,758. That country being France?—That country being practically France. I think the steadiness of the ratio is very remarkable. I should like to call attention to the fact that when the contrary is sometimes stated (any variation whatever could only be alleged within very narrow limits) even the variations thus alleged are not variations, of course, of the prices in Paris adjacent to the bimetallic mints, but they are variations in the London price of silver or the Hamburg price. Those prices we quote are generally London prices.

23,759. (*Mr. Giffen.*) Is that so?—Yes, I think so; Pixley and Abell's prices are so.

23,760. To the best of my belief I gave a lot of quotations of the prices of gold in Paris a good many years ago?—I should like to see those prices.

23,761. The premium on gold, which you will find in my book on bimetallism, was the premium on gold in Paris, the figures being those which were given to the Bankers' Institute?—May I ask where the quotation was found for the premium on gold?

23,762. It was found in blue books, it was taken from contributions by the Bank of England to former bullion committees?—I am sorry to say that I have not noticed that myself, but it does not affect the validity of the argument which I propose to offer to the Commission. I think that if you take the London prices as your basis for the market price of gold and silver, as has generally been the case, and as Pixley and Abell's prices have been taken from 1833 at all events, then Mr. Hucks Gibbs has shown, in my opinion, quite conclusively that those London prices did not differ from the prices at the Paris Mint, more than was sufficient to cover the expense of moving silver from London to the Paris Mint, taking account of the then state of exchange.

23,763. But that argument would not apply to prices which I gave, which were the Paris prices?—No, but I am not prepared to go into that now. It does show, however, this, that the London prices never varied from the Paris Mint price, more than the cost of carriage to the French Mint. London prices are very important from the point of view of silver. I should think there might be some circumstances explaining the discrepancy, if there is a discrepancy, between the Paris market price and the Paris Mint price.

23,764. You have not investigated the matter to see what the Paris prices were?—I have not, but we know the seigniorage was changed very frequently at the Paris Mint,

23,765. Were not the Paris prices much quoted?—I do not know exactly what you mean by the Paris prices being much quoted, because the London prices are the prices which appear in Soetbeer's list, and which are also accepted by the American Government, and which were put before our own Commission; I think they have not been very much quoted, at all events.

23,766. I am referring to the other prices which it seems to have been convenient to have overlooked?—Not at all, they have not been intentionally overlooked. I should be very glad to see them. The witness subsequently wrote—"I had misunderstood the "line of examination. I had seen the quotation of agio "on gold in Paris. But these do not give a market "value of one metal in terms of the other, but of each "as bullion in terms of currency. *Both* metals were "at an agio over almost the whole period, 1821–72 "inclusive."

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23,767. (*Mr. Chaplin.*) London prices are usually quoted, are they not, for everything?—I understand they are as a rule. I wish it to be clearly understood, that what I have said is, that the metals in the market do not sell below the Mint price. I have not said that there might not be an agio on the metals either one or both, and very likely that may explain some of the differences.

23,768. (*Mr. Giffen.*) Surely if there was an agio on one, then that does alter the mint price?—No.

23,769. As regards the two metals?—It alters the market ratio, but it does not alter the mint price.

23,770. That is to say, the mint will only take them at the ratio?—Yes.

23,771. But the ratio between the two metals is different from the price of the mint?—I admit that fully, but at the same time the price can never fall below what the mint is willing to give, that is quite clear.

23,772. The price is below according to the statement of the market price?—Pardon me, I am afraid I do not follow that argument. You get legal tender money, which is the standard of price, from the mint at a certain rate, and you can never get less than that.

23,773. (*Mr. Chaplin*) Your contention is, that the price obtained for the metals at the mint does not vary?—That is so; and that the market price does not vary by more than the cost of the carriage to the mints below that price, but above that price it may vary for this reason which I wish to point out—that under a system of bimetallism, such as has hitherto existed (and it would probably be the same in future), the mint or the bank acting as a debtor, of course, exercises its right of option, and pays in whatever metal it pleases. Further, it has usually in the past paid in coin, though I think in the future it will probably pay in bar. The consequence of that is, that those who wish bars for export, and who wish to make their option of the particular metal for export, say, gold for England, or silver for India, would have to pay for the right of choice which was not open to them under the system. They would have, in fact, to pay an agio, or a slight premium in that way. It would not be a very considerable sum; but the curious fact is, that that agio has existed on both metals at the same time. It was so in 1856, and it was so, I believe, in 1873—I have the details here; and, therefore, it must not be taken that the mere fact of an agio on one of the metals necessarily upsets the ratio between them.

23,774. (*Mr. Giffen.*) Have you looked minutely into the question?—I have read what Newmarch says about it in 1856.

23,775. I am sorry to say that the difficulty of stating what is the real premium on gold and silver respectively in France is simply enormous?—That is why I asked you where you got the quotation; it seemed to me that it would naturally be a very difficult thing to find out. It would almost be a matter of private arrangement, in many cases, between the bank and the individual requiring money. I was not aware that it was regularly quoted, but it is certainly stated by Newmarch as having occurred in 1856, that there was at the same time an agio on both metals. If we take the yearly average agios, as given by Mr. Hucks Gibbs, it would appear that on the average both metals were generally at an agio; but I have no details of weekly or daily quotations. I wish to say this too, that it is not altogether a question of mono-metallism or bimetallism, because the agio exists in England under mono-metallism. The mint price of gold in bars at the Bank, acting for the Mint is 3*l.* 17*s.* 9*d.*, but more than once in the last two or three years—I have the exact dates—the actual price of gold bars has been as high as 3*l.* 18*s.* 2*d.*, so that there has been an agio of 5*d.* on the ounce in England with gold mono-metallism. The explanation is simply that the exporter wanted bars, which are convenient for export; the bank was not inclined to facilitate the export of gold, and insisted upon its legal right of giving coin, which is a right under our system, and the exporter consequently was willing to pay 5*d.* on the ounce to get the more convenient article of bars; and that was charged by the Bank.

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23,776. (*Mr. Chaplin.*) And you argue from that, that the fact of there being an agio, as it is termed, upon either metal at any given time, does not for any practical purpose, invalidate the soundness of your theory, that the practical ratio between the metals can be maintained?—I think it does not; at any rate my view contemplates the possibility of such an agio.

Relative production of gold and silver before and after 1873.

23,777. Is it the fact that the variations in the relative productions of the metals, prior to 1873, were greater than they have been since that period?—They were very remarkable indeed. The production of gold was 5,400,000*l.* sterling in the year 1849, according to the figures I have, and it rose to 36,600,000*l.*, according to those same figures. There is a little difference of opinion about the exact amount of the maximum yield; other estimates make it as low as 30,000,000*l.*

23,778. However, it rose very largely?—Yes.

23,779. By many millions?—Yes. It rose, I think one may safely say, five times in four years. I know nothing else like it in the whole history of money.

23,780. What happened at the same time in the production of silver?—It remained very much the same.

23,781. In spite of this very remarkable increase of gold, and of the fact of the production of silver remaining the same, the ratio practically did not alter?—It altered very slightly, within something like 3 per cent.

23,782. Whereas since 1873, with nothing like the same variation in the production of the metals, it has diverged from 15½ to 1 to 30 to 1?—To 34, I think we may say. In a single year the movement was from 24 to 1, to 34 to 1, within the year 1893.

Production of silver.

23,783. Is there any apprehension if your system was adopted, of the world being flooded with great masses of silver?—That is, of course, a point dependent partly on the future yield of silver, and therefore wholly problematical; but I have taken the best opinion I can obtain from geologists on that point, and the answer is distinctly that there is no danger of our being flooded in that way. I should like to point out that so far from there being any very excessive production of silver of late, as is sometimes alleged, the increase in the production of silver has only been 140 per cent. in the last 20 years, whereas in the case I have just given to you there was an increase of 500 per cent. in the production of gold in the three years. There has been no very extraordinary increase in the production of silver; and I think that this ought to be remembered, that if, in consequence of the remonetisation of silver, prices generally are raised, that so far will be a fall in the value of both metals, gold and silver, and will so far tend to retard the production of both gold and silver, and must be set against the undoubted stimulus to the production of silver which will result from the higher gold price given to silver by the remonetisation.

23,784. I observe that in the final report of the Gold and Silver Commission, Part 1, paragraph 22, it is stated as follows: "The value of the silver produced "in the world from the end of the fifteenth century to "the present time is estimated by Dr. Soetbeer at "upwards of 1,951,000,000*l.*" Were you aware of that statement?—I should not have expected it to be so large, but I am quite willing to accept it as the best possible figure.

Annual production of silver in recent years.

23,785. Do you know what the annual production is now, or what has been the average production, we will say, for the last five years?—I do not think I have it in the form of an average, but I can easily give it to you. Do you wish the coinage value, or the commercial value of silver?

23,786. We will take the coinage value, if you have it, because that is, I suppose, what was estimated in this report?—The coinage value in 1892 was 39·3 millions, getting on towards 40 millions; the commercial value being 26 5 millions.

23,787. What is it for the present year?—I have not the return for 1893. We usually get those returns from the United States, and the report is not out.

23,788. Even supposing that the annual production of silver was doubled or trebled, which would be a very high estimate, the addition to the existing mass would be comparatively insignificant?—Yes; that is of course always the case with the precious metals.

23,789. Then, practically, do I understand from you that the fears of being flooded with great masses of silver are really unfounded as far as their effect would be?—I have not been able to see that they have any justification. I should like to ask exactly what is meant by being flooded with silver. Does it mean that prices would rise to an undesirable extent, or does it mean that silver would take the place of gold? Because if it only means that silver would take the place of gold to some extent in the bank reserves, I see no possible objection to that. If it means that the joint effect would be that we should have too large a supply of metallic money, and that prices would rise in an injurious degree, that appears to me not to be proved or supported by such evidence as I have been able to see.

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Effects of appreciation of gold.

23,790. I began my examination by telling you that I would ask you to lay a general sketch of your views before the Commission, and that then I would ask you questions upon any details upon which you might desire to state anything further to the Commission. Do you wish to say anything further upon the question of the appreciation of gold?—Upon the effects of it?

23,791. Upon its meaning and its effects; or have you stated as much as you desire to put before the Commission?—I do not know that I have said anything about the effects. I entirely concur with Mr. Giffen as regards the meaning of the phrase. I think it is very convenient that we should understand by the appreciation of gold simply the rise in the purchasing power of gold measured in wholesale commodities. That is the sense in which I have always tried to use the expression. As to the effects of that, I have no doubt that on the whole they have been disadvantageous. I should like, perhaps, to insist upon one or two of those effects, if I may.

23,792. Yes, if you please?—Perhaps I might quote first the opinion of the Commission of 1885-86, which was appointed to inquire into the Depression in Trade and Industry.

23,793. Will you at the same time say anything that you desire to say with regard to labour and wages?—Yes, but that would come later. "We expressed in our "third report," the Commission said, "the opinion "that the fall in prices so far as it has been caused by "an appreciation of the standard of value was a matter "deserving of the most serious independent inquiry, "and we do not therefore think it necessary to investigate at length the causes which have brought it "about, but we desire to give it a leading place in the "enumeration of the influences which have tended to "produce the present depression."

23,794. That was the Commission presided over by Lord Iddesleigh, I think?—Yes.

23,795. Then they laid it down clearly that one of the causes of the great depression in trade, into which they were instructed to inquire, was the appreciation of the standard of value?—Yes.

23,796. (*Mr. Everett.*) "A leading cause," did you say?—"A leading place." That was the report signed by 18 out of the 23 Commissioners—the final majority report. That conclusion of the Commissioners was arrived at after an examination of the actual effects of the depression of trade, and it seems to me that the way in which the appreciation of gold produces those effects is pretty clear. Mr. Giffen himself has said that "an appreciation of the money of a country "forced on by a Government is simply a measure for "disabling the productive powers of the people and making them poorer than they otherwise would be, while "it is of course liable to all the objections that exist "to any measure that changes the contracts between "individuals." It appears to me to be particularly injurious to the productive interest, because upon the whole the productive interest, the producers of the country, are borrowers. They are the people who employ the savings of the country; they are in the position of having to pay interest upon capital; they are in the position of having to pay many other fixed charges, or relatively fixed charges. They find foreign tariffs are fixed, and Customs duties; they find that railway rates are very difficult to move; they find it extremely difficult to bring down money wages, no matter what the purchasing power of the money is. They find therefore that practically they have to deal with a large number of charges which are fixed, or quasi-fixed charges. On the other hand they find that the value of their produce has fallen considerably in the markets. It must be clear that the margin of profit is diminished in that way. Now, if that is so, and if

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the question whether industry shall be extended or not, whether enterprise shall be undertaken or not, depends mainly upon the interests of these men, the employers of labour; the persons who receive profit or whose object is to receive profit; it seems to me to follow that an appreciation of gold will, on the whole, tend to put a drag upon production. That is the view I take of it; that while, of course, it is not able to stop the production of the country, it distinctly lessens the incentives to an expansion of enterprise; it makes men, to say the least, very cautious, which alone would bring about a considerable contraction of the production of the country. But I think it goes further than that. It in many cases destroys profit altogether, and turns profit into loss, and causes consequently contraction in production. Nearly all that I should have to say about the bad effects of the appreciation of gold would be based upon that point. If production is contracted, or to put it in a less objectionable form, perhaps—a form to which less objection can be taken—if the natural expansion of production is in any way arrested or checked, there would be a positive loss of wealth, and a diminution in prosperity which in the long run would probably be shared by all classes. That falls in the first place upon the employer, who acts as a buffer and suffers the larger portion of the loss in the shape of loss of profits, but ultimately no doubt transmits it to his men in the shape of a gradually lowered wage; and even before the rate of wages has thus been lowered the wage-receiving class will generally have felt the pinch, in the shape either of a positive contraction of employment, or of a diminution of employment below the point which it otherwise would have reached in the natural course of events.

23,797. (*Mr. Chaplin.*) What you want to put before us, I think, is this, is it not, to summarise what you have said, that in a period of falling prices, that is to say, while the appreciation of gold continues, people are afraid of investing their capital in productive industries because the returns are so uncertain, and that ultimately re-acts upon those who are employed and injures the labourers?—Yes, I think that exactly conveys my opinion.

Effects of appreciation of gold on debtors and creditors compared.

23,798. What is the effect upon debtors?—I have assumed that the effect would be to injure the debtor; that it would be adverse to the debtor; the reason being this: the debtor stands bound to pay a fixed sum in sterling value in terms of money, but the money which he is thus under an obligation to pay, although of the same nominal value, has an increased value estimated in the commodities which he produces. The American farmer, whose farm is often mortgaged to the extent of at least 20 per cent., finds himself in this position, that he has to give at least twice as much of the products he raises to pay the interest upon the mortgage. In the same way, the English farmer would find himself paying twice as much if his rent were as fixed, which it is not, as the rate of interest on the American mortgage.

23,799. The effect on the creditor is precisely the opposite,—he gains, I presume, *pro tanto* by the appreciation of gold?—Certainly. I should like to say about the creditor, though, that I am not at all prepared to admit that in the long run, and taking a long series of years, the appreciation of gold will be to the advantage of the creditor or of a creditor country, because the tendency is to ruin the debtor, and the bankruptcy of the debtor is not a matter upon which the creditor can congratulate himself in the long run.

23,800. In fact, if the appreciation of gold continues, the creditor,—the person who has lent his capital, is in danger of losing the whole of it, because of the bankruptcy of his debtor?—I think so. I should like to quote a rather remarkable prediction of Mr. Giffen's upon that point. I think, if Mr. Giffen will excuse my saying so, it really is rather remarkable, in view of the events which have actually occurred. He said in 1888, in the paper to which I have already referred several times:—"Where the debts increase fast, and where "* * * there is no rapid increase of population the "problems involved in the appreciation of money may "at any time become serious. I should look for "troublous times, for instance, both for some of our "Australasian Colonies and for a country like the "Argentine Republic even if the appreciation does not "grow more serious than it has been." We all know how soon that forecast was verified.

23,801. (*Mr. Giffen.*) In speaking of debtors and creditors, I presume you have been speaking of debts contracted for long periods, and not of the ordinary mercantile contracts where debts run off quickly?—It certainly would not affect very much a three months' bill. I have been speaking of the long period debts, which, I understand, are very large in amount.

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23,802. (*Mr. Gilmour.*) It would affect farm leases of 19 years very considerably, I suppose?—Very much indeed. Farmers were recommended, I believe, in the period of rising prices, always to take such leases if they could get them, but in the present time it would be very unwise of them, I think, to accept them.

Effect of appreciation of gold on labour

23,803. (*Mr. Chaplin.*) Do you wish to say anything with regard to the future outlook upon this question more than you have said already?—I should like just to say a word, if I might, as to the effect upon labour.

23,804. If you please. We should very much like to hear it?—I might say first that the passage that I quoted from Mr. Giffen will be found in the proceedings of the Royal Statistical Society, volume 51, pages 761 to 762. I should like to say a word about labour, because it was in connexion with the question of labour that I first felt the importance of this movement of prices, which I had regarded before as an interesting example of theoretical principles, but not more seriously. Mr. Jevons introduced it to me in that light as a very interesting example of the theory of value which he had done so much to perfect and develope. But looking at the question of irregularity of employment it struck me that it had a very important bearing upon the position of labour, and from that time I regarded the question more seriously. It seems to me, as I have pointed out, that although at first, during a period of falling prices, the labourer will gain as long as he maintains his position of employment—as long as he maintains his nominal wage—commodities will cheapen and he will undoubtedly find himself in a better position,—yet in the long run if the movement is carried so far as to destroy the profits of business or seriously to diminish the profits of business, there will be a contraction of industry from which he must suffer, if for no other reason, because the total product of the industry of the world—what Professor Marshall calls the National dividend—becomes less, the amount to be divided is less; and although the labourer, I assume, may gain slightly at the expense of interest—may gain slightly at the expense of rent, and may gain slightly at the expense of profits, yet it has been the opinion of the best economists, and notably of General Walker, as expressed in his book on the wages question, that no substantial gain to labour can be expected from such sources as these; that, in the long run, if the position of labour is to be improved, it must be by an increase in the production of industry, and very largely by an increase in the efficiency of labour itself. It is pretty generally recognised now that the old view which regarded an increase of wages as a thing to be obtained at the expense of profits, or at the expense of some other class, is, on the whole, although not absolutely incorrect, not the view we would put before anyone as in the main the practical substantial view, the ground upon which you might substantially expect to improve the condition of labour. That improved condition, I think, will depend mainly upon the improved efficiency of industry, which seems to me to be checked by this movement of prices. But then the objection is raised that to object to falling prices is to object to cheapness, and that cheapness must be for the advantage not only of the labourer, but of all other classes. On that point, I would like to say that it seems to me that cheapness does not essentially mean low prices. It means increased purchasing power. I am almost ashamed again to refer to Mr. Giffen, but I am bound, as a mere matter of justice, to say that Mr. Giffen has put this most clearly. He put it in a way which impressed me very much at the time, and I do not know that I can improve on his expression. In any case, I feel bound to give him the credit of the distinction.

23,805. I am sure we shall be very glad to hear it?—The passage is this: "When the expressions are "analysed it will be found that 'dearness' and 'cheap-"ness' can have really nothing to do with money "prices; that real 'dearness,' that is a high price in "relation to income, and real 'cheapness,' that is a low "price in relation to income, are the things really "intended"—it is a question of purchasing power—"Things may become cheap in this sense when money "prices rise and dear when money prices fall." Then I have another passage from the French economist

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Chevalier, which puts the thing, I think, very clearly. He says: "We are not to conclude because commodities "rise in price that people are worse off. If wages and "incomes in general expressed in money rise in proportion, nobody suffers from a rise in prices. If they "rise more than proportionally everyone will be better "instead of worse off. Thus all prices rose after the "discovery of America"—he is speaking of the 15th and 16th centuries—"But people were not worse off; "but just the reverse." There are two kinds of cheapness in fact, and we had one kind in the period from 1850 to 1873. That was a period which the working classes found cheap. Their position was enormously improved in 1873, as compared with what it was in 1850, yet it was a period of rising prices throughout. But the point was that their wages rose more than the prices of commodities. On the other hand, although prices have fallen very much since 1873, I do not say that their real wages have not risen, because I think they have, but they have not risen so rapidly in my opinion, and I think they would have risen still more rapidly if we had been living under a *régime* of rising prices, because industry would have expanded more freely.

23,806. (*Mr. Giffen.*) Do you think the improvement was more before 1873 than it has been since?—More in proportion if you compare it with the period of 1848, when we were on the verge of social revolution.

23,807. (*Mr. Little.*) Are you speaking of labourers generally, or of agricultural labourers?—I was not speaking of agricultural labourers particularly.

23,808. Not now?—No; I was speaking generally of wage-receivers, and perhaps I should have used the term "wage-receivers."

23,809. (*Mr. Chaplin.*) Your contention is that the position of the wage-receiver as regards real wages, improved more before 1873 in proportion than it has done between 1873 and 1893?—I think so, if you take account of all kinds of wages.

23,810. (*Mr. Giffen.*) But you cannot go into the details of that?—No. Of course I do not insist upon my opinion, I merely express it. Then I should like to say that I am rather apprehensive myself that we may have social troubles arising from a fall of prices, and in this way—that although those who have given any attention to the question will see at once that if the shilling which the workman receives in payment of his wage has its purchasing power increased his position is not necessarily injured by a fall of money wages, yet it is extremely hard to get the working man to see that. I observe that he is inclined to set up the doctrine of "a living wage," by which he means apparently a fixed number of shillings. Now that will be a source of very serious danger, I apprehend, because it will be extremely difficult to explain to him that he has to put up with a smaller number of shillings because these shillings have greater purchasing power. I should be very sorry myself to have to undertake such a task. I should probably be met by the retort that if a shilling bought any more so much the better, why should he be deprived of his luck, or something to that effect. But more probably what would be said would be that the shilling had not increased in purchasing power; because as a rule when the purchasing power of money increases our wants increase in at least equal proportion, and the sense of complete satisfaction is not in any way increased but rather diminished, perhaps. The man is not conscious of being better off than he was before and it would be extremely difficult to prove to him that he is better off. The consequence is that he will be inclined to insist, come what may, on at least a fixed money wage. He will probably want a rising money wage; and it would be increasingly difficult to give him that if we are to live under a *régime* of falling prices. That is a point which I think it is very important to hold in view in regard to the question whether falling prices are or are not beneficial.

23,811. (*Mr. Chaplin.*) I suppose the recent coal strike would rather illustrate the argument that you have been using to us?—It was that, as a matter of fact, which suggested the argument to me; which suggested the consideration of the question perhaps more than anything else that has occurred. But it did occur to me in 1888, when Mr. Giffen was reading that paper, and I mentioned at the time in the debate that I thought, although from the economist's point of view it was just the same thing whether a man had more shillings and less purchasing power for each shilling or fewer shillings and more purchasing power for each shilling, yet it made all the difference in the world from the political and social point of view in dealing with the workman himself.

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23,812. I suppose we may regard the recent coal strike as one of the most important and serious things that has happened in recent days; but do you go so far as to say that the appreciation of gold lay at the root of that?—No, I would not of course say that there were not a great many other influences operating, such as the general labour movement, the new unionism movement, and so forth; but I say that it increases the difficulty of bringing about a compromise or a reasonable adjustment on the question of wages.

23,813. Is there anything further you wish to say on this point?—I do not think I would like to detain the Commission more. There was the other point you raised about the future outlook—whether the fall was likely to be continuous, but that again has already been referred to, and I do not know that I need refer to it again.

23,814. Are there any other matters you would like to bring before us?—There are one or two objections to what I have been stating upon the question of the appreciation of money, that I should like to say a word about if there is time.

Prices of labour and commodities as tests of appreciation of money.

23,815. Will you say what you think on that?—Of late years there has been a tendency to deny the appreciation of money in one or two directions, and one I would like to make an observation about. It has been said that the proper test is not commodities, but labour. Now, it is quite clear to my mind at least, that you cannot take both as the test, because they move in different directions. The tendency of material civilisation is for incomes to increase, measured in commodities. We get more and more power over commodities; that is what material civilisation means. The question is which of these are we to take as the unit when we measure the appreciation of our money? Are we to take the incomes which on the whole are going to rise and have risen, or are we to take the commodities? Now, it has been suggested by Mr. Courtney lately, and by other important writers, that we ought to consider labour as the standard, or rather, I suppose, what is really meant is that we should take incomes generally as the standard. No doubt if you were to make a curve of that kind based upon incomes instead of upon commodities you would get a totally different result. You would, perhaps, have no fall after 1873. But it appears to me that that is an impossible standard for several reasons; first of all because it is an extremely vague one, and in all matters concerned with the regulation of money it appears desirable to have a very definite standard. I can form no definite conception of a unit of labour. I have tried and I have read what has been written about it, but I can find nothing that is exact, nothing that would be at all possible. Secondly, and this is perhaps more important practically, such a unit would not enable us to measure the disturbing effects of currency changes upon business, which seems to me the important point. Business is injured when the prices of commodities fall. It is nothing to a business man to tell him that, notwithstanding that, the value of incomes remains constant. That does not affect the management or the manipulation of his business affairs in the least degree. What depresses trade is a falling in commodities. What you have to aim at therefore is stability in the price of commodities, not stability in the value of incomes, which is not a matter that affects trade at all. I go further than that, and I say it is most desirable that incomes should not be stable in their money value, but should rise. If as a matter of fact they are really rising, if we are every day getting more comforts, a larger control of the commodities and conveniences of life, is it not desirable that that should be indicated in the rise of the money value of the income—that the workman, if he really is getting an improved wage, should see that he is getting more shillings. That appears to me to be very desirable. Then, thirdly, I think it would be grossly unjust, because—and I wish to insist upon this—it amounts to giving the whole advantage of the progress of civilisation to the creditor, and I fail to see on what ground we should do this. If you fix your money by incomes and allow the prices of commodities to fall it comes to this—that the creditor gets the whole advantage of the fall in the prices of commodities, to which, as creditor, he has contributed nothing. The fall in the prices of commodities may be due to the increased efficiency of labour; it may be

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due to invention; it may be due to the better management of business, to the opening up of different districts in the world—to a hundred things—to none of which the creditor, who is as such a passive person, has contributed. The man who has probably contributed most to this movement of general improvement is the borrower of money, the debtor. But he loses the whole advantage, which, on this system of the labour standard, would be handed over absolutely to the creditor. Now, it appears to me that that cannot be justified; that if we are to give the whole advantage to anyone it should be to the active person, the man who is employing all the capital, who is making the improvements from which the relative fall in the value of commodities results. Then I should just like to say that Jevons agrees on that point—he is a very high authority. He says: "I hold labour to be essentially variable, so that "its value must be determined by the value of the "produce, not the value of the produce by that of the "labour." Mr. Giffen says: "Viewing a long period "dynamically it is beyond all question that commodi- "ties are comparatively steady, and only the money "changes." The commodities are our fixed point in these investigations, it seems to me. Then I pass to another point. We are told that there has not been a fall of prices, because otherwise all prices would have fallen; that is really rather a trifling fallacy; but it has been put forward by very distinguished persons, practical men of business, in this country, and by the financier, Forsell in Sweden. He says you have some prices which, on the whole, tend to rise notwithstanding the general fall. If the fall of prices were due to any such general cause as money, all prices should have fallen. Now, that has been very aptly answered, I think, by Professor Nicholson. He says it is exactly the same thing as if you were to say, watching a number of yachts sailing up and down a river or a stream, that there was no such general fact as the current of the stream, because some of those yachts were going up stream and some going down. If the stream had any current in it, they would all be going down. That is an exact parallel to an argument which is put forward in this country in a great many quarters again and again. Jevons has disposed of it absolutely in his *Investigations*, but they are not always read by the persons who hold this view.

Effect of extension of credit on appreciation of gold.

23,816. (*Mr. Chaplin.*) The argument I understand being this, that because the prices of some particular articles have risen owing to some particular cause, therefore, there cannot have been an appreciation of gold?—Yes; of course the answer would be that the appreciation of gold has had its effect everywhere, and that these commodities would have risen more in the absence of the appreciation of gold. Then it is said that the whole question of the metals is of no importance in modern times because we use so much credit. That is an argument which Sir John Lubbock has used on more than one occasion. He says, "looking "at the money which passes over my counter I find "that only half per cent. of it is gold." That of course is an excessively small per-centage, which would only be found in the case of a City business, but we may take it for purposes of argument as a basis for argument. He argues that, therefore, the quantity of metal can make very little difference to prices. But the conclusion I should draw from the fact, which I admit so far as that case is concerned, would be exactly the opposite. It comes to this, that upon every sovereign is built, according to that estimate, 200 sovereigns of credit: you have 200*l.* worth of other forms of money that are in circulation, and you have only this one sovereign of actual coin. If that is so, it seems to me to emphasise the importance of the coin. Of course, the case given is extreme. Taking the whole of the circulation of the country, one might say that the proportion of credit to coin is, perhaps, 40 to 1. I should not like to put it much higher than that, that the liabilities as compared with the actual metallic available reserves are something like 40 to 1.

Proportion of credit to coin.

23,817. (*Mr. Giffen.*) I do not quite follow. What is the proportion?—That the total banking liabilities, say, 700 millions, compared with the amount of available cash reserves against them, is something like 40 to 1.

23,818. Forty to 1?—When Mr. Jevons made the calculation in 1876 he put it at 20 to 1, but the process of economy—the extension of credit—has gone very much further since that time; and when Mr. Cobb wrote his book, "Threadneedle Street," two or three years ago, he estimated that the available reserves were only about 2½ per cent. of the total liabilities standing against them. In that estimate he excluded the till money of the banks as not being really an available reserve, and I think he was right from his point of view, and that I am right from this point of view in rather taking that view of it. It comes to this:—That every sovereign not only means a sovereign, but it means 40*l.* of credit which rests on the top of it; the extent, therefore, of its scarcity, or of its redundancy, in my opinion, becomes of more, and not of less, importance. There is an illustration of Professor Nicholson's in regard to that, which is very neat and very apt, I think, which I should just like to read. He says "it is as if two architects were disputing as to the best "foundation for a palace; one advocates granite and "the other concrete." He refers in that to the monometallists and the bimetallists. "Well, the defender of "the single-stone foundation gets the worst of the "argument, and he turns upon the defender of the "concrete" and says, "After all, it is of no conse- "quence, because all the important parts of the build- "ing are supported not by the foundations, but by the "first storey. That is the kind of delusion of those who "think that prices depend on credit only, and until "they explain what is the foundation of credit, and "start a bank on this new foundation, we may leave "them in the first storey of their castle in the air." Of course, the point is that the credit rests upon the gold, and increases the importance of the gold rather than diminishes it. I do not know that I wish to detain the Commission any longer, but there is much more that might be said.

23,819. (*Mr. Chaplin.*) What you mean is, that however great and widespread the system of credit may be the foundation of all credit is the metal itself?—Yes.

23,820. And as the metal expands or contracts, credit, I assume, will expand or contract with it?—It is admirably put by Jevons. He says that credit gives a certain latitude to prices without interfering with their ultimate dependence upon metallic money, that "credit gives a certain latitude without rendering prices "ultimately independent of gold." That is the way in which Jevons sums up his investigations on that point. Prices may temporarily rise or fall independently of the quantity of gold in the country, but in the long run they must be governed by this quantity. Credit gives a certain latitude without rendering prices entirely independent. That is a view in which I should entirely concur.

Bi-metallism in England in the 18th century

23,821. Have you other points that you would like to say anything to the Commission upon?—I should like to have said something about the 18th century which has been before the Commission in one form or another; but, perhaps, that is rather ancient history.

23,822. It is with regard to the ancient history?—It is mainly on two points. The first point is that it is frequently said that the ratio varied during the 18th century, and yet we claim that bi-metallism was in existence in that century; and if the ratio varied then, why not under the form of bi-metallism which we propose? I want to point out what I do not think has always been recognised, namely, that even the very imperfect bi-metallism which then existed was hampered in two most important and vital ways.

23,823. Are you speaking of bi-metallism in England during the 18th century?—Yes, it has very frequently been observed that the system was a national one, and that instead of attempting to approximate the ratios of the different nations, there was an attempt to use them as instruments of conflict, just as the tariffs were used at the same period. The idea was to induce the movement of money into a particular country, and for that purpose the ratio was from time to time manipulated, with reference to the ratios in other countries, so as to induce a movement of the metals as required. Newton pointed that out in 1717, and recommended that we should try to observe a parity, to observe a uniformity with the ratios of other countries, and not hostility. However, it is notorious that that is the system which prevailed, and that it was not an international system. But that is not the point I wish to raise now. It was pointed out in 1819, before the Commission on the resumption of cash payments, that during the 18th century there was no real free mintage of the metals, because the mintage was under the control of the Bank of England. Mr. Robert Mushett, who was an officer of the mint, makes this statement: He says "It is notorious that the Bank "of England practically controlled the mintage at that

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"time, that people were often unable to get their "money minted when they wanted to have their "money minted." That was the first obstruction to the working of the system. The second was by means of the laws of the country at that time, for certainly by the law of England the exportation of the coin of the country—the coin of the realm—was prohibited.

23,824. Do I understand that at the time when these observations were offered by the gentleman whom you have named, the mint then was bound by law to take silver in unlimited quantities?—Yes; it was under the law of 1666, the law of Charles II., which was only repealed I believe, quite recently by Mr. Lowe. Under that law it was bound to coin both metals gratuitously, but practically, I suppose, the Bank was the agent in doing it—I am not quite aware of the exact system—but at any rate it is said most distinctly and it is given in evidence that the Bank did control and obstruct this mintage. Secondly, what was equally important, it was not lawful to export the coin of the realm. As a matter of fact the coin of the realm was often melted down and sworn to as foreign coin, the operation having cost about four or five per cent., which appears to have been the cost of hard swearing at that time. That would account for an agio to that extent, in certain cases where under a properly managed bi-metallic system there would naturally have been an export of coin.

23,825. (*Mr. Giffen.*) As a matter of fact hardly any silver was coined?—That is a very striking thing again. I have the figures of the coinage, and they are almost incredible. Only something like 62,000*l.* sterling, I believe, was the amount coined from 1760 to the Committee of 1819. It seems incredible.

23,826. It was a very small figure, I believe?—That is another point on which I wished to offer an observation. It is sometimes said that that was on account of a strong preference in this country for gold, but in the course of reading in the old pamphlets of that period, to which I have been rather addicted, I have found abundant evidence that the scarcity of silver was loudly complained of during the period, and was the source of the greatest possible inconvenience. All the writers agree that it was due to the over-rating of gold. When Newton was at the mint in 1717 the guinea was rated at 21*s.* 6*d.* He pointed out that that rate was far too high, and in accordance with his recommendation it was reduced to 21*s.*; but it should have been reduced to 20*s.* 6*d.* at least, or something of that kind. The consequence was that throughout the 18th century gold was over valued here in comparison with its rating on the Continent, and no silver was brought to England. The silver was exported to the Continent, and gold came in in large quantities. The effect was that we were *de facto* a gold using country, owing to the over valuation.

23,827. How did it happen, if there were such loud complaints, that they did not alter the law so as to bring in silver?—That is a point I do not understand. I do not know what interests were involved. Probably there were influential persons who did not desire the abolition of the law.

23,828. (*Mr. Little.*) What was the circulating medium for small change,—copper tokens?—There was an immense mass of token money issued, and there were a very large number of small bank notes. Adam Smith mentions bank notes of 1*s.* even; and, what was very striking, at one time they were obliged to coin quarter sovereigns, or rather quarter guineas, worth 5*s.* 3*d.*, so great was the scarcity. Then I wish to point out that in 1774 there was a re-coinage of the gold coin, which was put upon a perfectly sound basis. It was then enacted that the silver coin (which had not been re-coined) should not be legal tender by tale for more than a sum of 25*l.*, but silver might be tendered by weight to an unlimited extent. This, however, of course operated as a check upon the use of silver to a still further degree. So far as I can gather it was not intended to check the circulation of silver. It was based merely upon the then state of the silver coins, which were worn and light as compared with the gold coins which had been newly re-coined; but it had the effect of discouraging the use of silver. That Act continued till 1783, and it then expired, but it was renewed in still more stringent form by the Act of 1798, which enacted that silver was not to be legal tender at all, and silver was not to be coined at all, for it prohibited the coinage of silver altogether.

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23,829. (*Mr. Everett.*) The Act of 1798 did not affect the legal tender, did it—it only dealt with the coinage?—I believe you are right; I have the Act here and I believe it is so. These things appear to me to be important as bearing on the question whether the adoption of gold was deliberate or not in the 18th century. I do not see any sign that it was deliberate, though there may have been persons who desired it.

23,830. (*Mr. Giffen.*) Still they were giving their minds to it when they re-coined gold in 1774, and took no steps about the silver; surely they were giving their minds to it then?—It possibly does point in that direction; but then in 1696 they in the same way re-coined the silver and did nothing with the gold.

23,831. Was there not a general opinion last century to the effect that you could not have a stable ratio between the metals?—I have not met with that opinion myself, until we come to the discussion in 1819, when it certainly appeared; Ricardo brought it forward very strongly.

23,832. I mean in the pamphlets of last century—I have met with it in them?—Yes, but that was based upon the fact that there were many different ratios prevailing in other countries, and that we had no control over those ratios. It does not appear to me to militate against the arguments for an international ratio at all. I have brought with me a list of the ratios, which were most various.

23,833. I should like to have a list of the ratios?—There is a list of the ratios put in before the committee of 1819, giving the ratios at that time; then there is another list made in 1869 by Ernest Seyd.

23,834. Giving the ratios of the different European countries?—In the different countries. I am afraid it is a little difficult to put my finger on these papers; but I could get them perhaps by to-morrow, and it might be better to do that rather than to detain the Commission now.

[The witness subsequently furnished the following statements]:—

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The RELATIVE VALUE of GOLD to SILVER in the principal Trading Places of the World, computed from the Proportional Quantity of Pure Metal in their principal Coins, and the Legal or Current Price of those Coins respectively.*

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——	By Mint Regulations.	By Assays.	Names of the Coins from which the Proportions are taken.
England:			
By old coinage	15 $\frac{2096}{10000}$ to 1.	Proved correct by the Trials of the Pix.	Per guinea and old shilling.
By new coinage	14 $\frac{2778}{10000}$ to 1.		Per sovereign and new shilling.
Amsterdam	14 $\frac{86}{100}$ to 1.	14 $\frac{63}{100}$ to 1.	Per ducat, reckoned at 5$\frac{1}{4}$ flor., and the Rix-dollar.
Hamburgh	15 to 1 nearly.	14 $\frac{83}{100}$ to 1.	Per ducat, reckoned 6 Marcs Banco, and the Rix-dollar.
Paris	15 $\frac{5}{10}$ to 1.	15 $\frac{5}{10}$ to 1.	Per 20 franc piece and 5 franc piece.
Madrid	16 to 1.	$\left\{\begin{matrix}15\frac{85}{100}\\16\frac{42}{100}\end{matrix}\right\}$ to 1.	Per doubloon and dollar of different coinages.
Lisbon	13 $\frac{65}{100}$ to 1.	13 $\frac{33}{100}$ to 1.	Per Joanese and New Crusado.
Leghorn	14 $\frac{65}{100}$ to 1.	14 $\frac{92}{100}$ to 1.	Per Ruspono and Franciscone.
Genoa	15 $\frac{54}{100}$ to 1.	15 $\frac{35}{100}$ to 1.	Per Genovina and Scudo.
Naples	15 $\frac{21}{100}$ to 1.	- - -	Per oncetta and ducat (coinage of 1818).
Venice	15 to 1 nearly.	14 $\frac{35}{100}$ to 1.	Per sequin and ducat.
Petersburgh	15 to 1 nearly.	15 $\frac{25}{100}$ to 1.	Per ducat and rouble.
United States	15 to 1.	15 $\frac{04}{100}$ to 1.	Per eagle and dollar.
Bengal	14 $\frac{857}{1000}$ to 1.	14 $\frac{857}{1000}$ to 1.	Per gold Mohur and Sicca rupee.
Madras	13 $\frac{878}{1000}$ to 1.	13 $\frac{857}{1000}$ to 1.	Per Star Pagoda and current rupee.
Bombay	15 to 1.	15 to 1.	Per gold rupee and silver rupee.
China	14$\frac{1}{4}$ to 1.	- - -	Per tale of gold, and the average price of Spanish dollars.

*Delivered in by Dr. KELLY, April 7, 1819.

[From the LORDS REPORT on the RESUMPTION of CASH PAYMENTS, 7 May 1819, p. 366, Appendix, C. 9. *See also* Appendix, C. 4.]

STATEMENT of the VARIOUS RATIOS in Force in 1869. [From *The Depreciation of Labour and Property which would follow the Demonetisation of Silver.* By ERNEST SEYD. London, 1869, p. 37.]

Single Gold Valuation.

Great Britain	1 to 14$\frac{1}{2}$	The limit of tender to which silver is restricted may generally be taken as 2*l.*
Portugal	1 to 14$\frac{3}{40}$	
Turkey	1 to 15$\frac{1}{10}$	
Chili	1 to 15	
Brazil	1 to 14$\frac{3}{10}$	
Australia	1 to 14$\frac{1}{2}$	

Double Gold and Silver Valuation.

France	1 to 15$\frac{1}{2}$	Payments are legal in either gold or silver. In France, Belgium, United States, &c., the lower silver coins are now debased, and are limited tender.
Belgium	1 to 15$\frac{1}{2}$	
Italy	1 to 15$\frac{1}{2}$	
Switzerland	1 to 15$\frac{1}{2}$	
Spain	1 to 15·477	
Greece	1 to 15$\frac{1}{2}$	
United States	1 to 16	
New Grenada	1 to 15$\frac{1}{2}$	
Ecuador	1 to 15$\frac{1}{2}$	
Peru	1 to 15$\frac{1}{2}$	

Silver Valuation.

North Germany	1 to 15$\frac{1}{2}$	These proportions are only approximate, as gold coin varies in price.
South Germany	1 to 15$\frac{1}{2}$	
Hamburg	1 to 15$\frac{1}{2}$	
Austria	1 to 15$\frac{1}{2}$	
Holland	1 to 15$\frac{1}{2}$	
Sweden	1 to 15$\frac{1}{2}$	
Norway	1	
Denmark	1 to 15$\frac{1}{2}$	
Russia	1 to 15$\frac{3}{7}$	The half Imperial fixed at 5$\frac{3}{20}$ roubles.
Mexico	1 to 15$\frac{11}{20}$	Gold coin of uncertain fineness.
Central America	1 to 15$\frac{11}{20}$	
India	1 to 15	The mohur = 15 rupees.
China		Gold coin not used.
Japan	1 to 15$\frac{1}{2}$	By the recent reduction of the gold cobang.*

* Before this the proportion was 1 to 4$\frac{1}{2}$.

The witness withdrew.

Adjourned to to-morrow at 12 o'clock.

Forty-fifth Day.

Friday, 15th June 1894.

PRESENT:

The Right Hon. GEORGE JOHN SHAW-LEFEVRE, M.P., in the Chair.

Viscount Cobham.
The Right Hon. Baron Rendel.
The Right Hon. Henry Chaplin, M.P.
Sir Robert Nigel Fitzhardinge Kingscote, K.C.B.
Robert Giffen, Esq., C.B.
Captain Owen Thomas.
Francis Allston Channing, Esq., M.P.
John Clay, Esq.
Cornelius Neale Dalton, Esq., C.B.
John Gilmour, Esq.
George Lambert, Esq., M.P.
William Cutlack Little, Esq.
Walter Hume Long, Esq., M.P.
Charles Whitehead, Esq., F.L.S.

Herbert Lyon, Esq., *Secretary.*
R. F. Crawford, Esq., *Assistant Secretary.*

Professor Herbert Somerton Foxwell recalled and further examined.

Prof. H. S. Foxwell.
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Consumption of silver before and since 1873.

23,835. (*Mr. Chaplin.*) In your evidence yesterday you explained to us how a fall in prices had followed upon the great monetary changes which you described. It has been urged before us in evidence upon that point that the consumption of silver since 1873 has been greater than it was before that period and some statements of Professor Lexis upon that point were put before the Commission; have you anything to say upon that subject?—I have gone through the statements of Professor Lexis. I am not prepared to dispute any of those statements, but I should like to make one or two remarks that bear upon them: first of all that it is very doubtful whether he has sufficiently distinguished re-coinages from what are really net coinages and additions to the stock of silver in actual monetary use; secondly that a great part of that silver was token silver which would not, in my opinion, have the same effect in supporting prices as standard legal tender silver; and thirdly that a part of that silver was coined at the low valuation at which silver is now current in the market—at the present market valuation; only a part of it—a considerable part I admit—passing at a higher rate, that is at what is sometimes called the nominal rate of either 16 to 1 in the States or at 15½ to 1 in the countries still holding that ratio. But admitting that a very large amount of silver has undoubtedly been used since 1873, it seems to me quite clear that more would have been used if the mints had remained open, and that the closing of the mints therefore may be regarded as an efficient cause in the contraction of the currency to the extent that the closing of the mints has prevented silver from being brought to the mints, which otherwise would have come there. Probably a great deal of silver has been used in the Arts, owing to the low price of silver, which would not have been used in the arts had the price continued to bear the ratio of 15½ to 1 as compared with gold. I cannot concur in Professor Lexis's conclusion, which is that his figures show clearly that the increased production of silver is the probable cause of the fall. It is of course a contributing cause, but what seems to me quite clear is that, had the mints been open, the increased production of silver to which he refers, about 140 per cent., would not have caused the fall in the relative gold value of silver. I see no reason why it should have caused that fall any more than why the 500 per cent. increase in gold should have caused a fall in 1850, provided a system of free mintage on the principle which I have described had been maintained over the period. It is open of course to anyone to say that the system could not have been maintained, but I should differ there. So long as it was maintained it appears to me clear that the gold value of silver could not have fallen; in spite of what Professor Lexis points out—an increased production, not of a very alarming or remarkable kind.

23,836. (*Mr. Giffen.*) Still you do not dispute the fact that more silver has been used in the last 20 years in the bimetallic area than what was used before?—No, I should not dispute that.

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23,837. (*Mr. Chaplin.*) You have also shown us I think pretty clearly that the fall in prices has been progressive for some years, and you have expressed the opinion that it is likely to continue. I understand that you advocate the adoption of bimetallism for the purpose of arresting that fall in the future and because you hold that there would be more stability in the standard under that system than is the case at present; is that so?—That is my view certainly.

Reasons for advocating bimetallism.

23,838. Would you give us your reasons for holding that view?—That view would rest partly upon the general presumption that where you have two sources of supply each equally likely to fluctuate in quantity, the joint supply would be more stable than either of the separate sources. That is the principle upon which you would go in choosing to select for a water supply two sources rather than to leave yourself dependent upon one, provided there was no reasonable presumption beforehand that both sources of supply would follow exactly the same variations. In the case of the metals we have found as a matter of past history that when silver has been plentifully supplied gold has frequently been scarce; but on the other hand when gold has been plentifully supplied there has sometimes been a comparative scarcity of silver; and there is reason on that general ground to assume that a joint supply of gold and silver will probably be more stable than a supply of either metal separately. I should go beyond that, and I should entirely agree with Ricardo in 1816 that if we were perfectly free to consider which metal we should prefer as a standard, I should prefer silver on the ground that its supply is more likely to be equable than that of gold. The reason I take it is this, and there is very strong evidence to this effect given by geological specialists; I may refer especially to a collection of the opinions of geologists published in a report by Mr. Edward Atkinson on Bimetallism in Europe.—U.S. Consular Reports, No. 87, December 1887; it is to the effect that the supply of silver is very sensitive to variations in the value of silver; in other words if there were a scarcity of silver and the price of silver were to rise it is absolutely certain that the production of silver would increase, —I will not say absolutely certain, but it is very highly probable that the production of silver would increase. That is not the case with gold. We have had a considerable rise in the value of gold over a considerable period, say for instance from 1873 to 1883, during which there was no important increase in the production of that metal. The fact is that the production of gold is a much more precarious matter, depending much more upon accident and much less upon commercial considerations. It appears to me desirable to select for a currency rather a metal whose supply does depend upon commercial considerations and which is sensitive to a rise in price. The great danger, it appears to me, with regard to the currency, is that we may have a scarcity of it. That danger is not so much to be apprehended in the case of a metal like silver as in the case of a

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metal like gold. Consequently I should hold on both grounds that the joint supply of gold and silver was likely to be more equable and more steady than the supply of gold singly. Perhaps I may say that Ricardo in 1819 altered that view expressed in 1816, but I should like to state his reason, which seems to me a very remarkable reason, which I hardly think the members of the Commission would endorse. He said, giving evidence before the Lords' Committee of 1819: "My only reason for preferring one metal to the other "is its being less variable in value; I had at one "time thought silver would be less variable; but "having heard" (he puts it in a very vague way) "that machinery is particularly applicable to the work-"ing of silver mines, and cannot be applied to increase "the quantity of gold, I now think that gold is the "more invariable metal." I think probably what Ricardo had in his mind was this: he had seen machinery applied to the production of cotton and other fabrics of that kind with a most astonishing result on the price. If the same thing is going to happen to silver, who can say what will be the value of silver? That argument has no force to-day, because machinery is applied equally to the production of both metals, and the devices of metallurgy are applied most freely to the production of both metals, and, therefore, that argument falls to the ground. In any case, it does not appear to me to be a very strong argument, because it rather tends to show that we should have an abundant supply of silver; and as Mr. Giffen says we are to apprehend rather a fall of prices than a rise, what we should require is rather an abundant supply of the monetary metal than a contraction of it.

Stability of ratio between gold and silver.

23,839. Are you of the opinion which is generally shared, I apprehend, that perfect stability in the standard is unattainable but that it is desirable to aim at the greatest stability possible: and is that not one of the main objects which bimetallists have in view?—Certainly. I think it may be said of the English bimetallists, at all events, that they have always put in the forefront the general stability of prices as their main object. I admitted in explaining the causes of fluctuations in price that there are some that we do not expect to eliminate, such as the speculative causes and the market causes; but we think that we can make some advance towards eliminating those causes of variation which arise from the variations in the supply of the monetary metal.

23,840. The fluctuations which arise, so to speak, from monetary causes might be mitigated in your view to a great extent by the adoption of bimetallism?—Yes.

23,841. It has been urged before us in evidence here that there is no experience to show that governments can do anything to mitigate the difficulties of exchange or to fix the ratio between the metals?—I have a very strong opinion that nothing can be more clear than the evidence that governments have had a power in adjusting the ratio. I think it can hardly be disputed. I think for instance, that we had in 1893 a very striking example of the effect of the power which legislation has in affecting the ratio when the ratio was suddenly lowered from 24 to 1 to 34 to 1, within 12 months, by the closing of the Indian Mints, and the subsequent repeal of the Sherman Act. My view is that Governments can affect the ratio because they can very largely control the demand for the metal.

Absolute fixity of ratio impossible.

23,842. (*Mr. Giffen.*) That is a very different thing from saying that they can fix the ratio?—I beg your pardon, the point is the absolute fixing, am I to understand?

23,843. The evidence to which I referred is this: there is no experience to show that governments can do anything to mitigate the difficulties of exchange, or to fix the ratio; although I suppose you would admit that absolute fixity of the ratio probably is impossible, but that fixity for all practicable purposes, can be attained by the action of governments?—There I should wish to draw a distinction. There can be absolute fixity of the mint ratio. Baron Alphonse de Rothschild brought out that point in his evidence before the French Enquête in 1869–70; he said there has never been any variation of the ratio between the metals as money; and he made a very strong point of that; the variation such as it has been, has been in the market ratio between the metals as bullion. He observed that people spoke of the variation in the ratio between the metals, but that that variation had never existed between the metals used as money; in other words the 20-franc piece I presume he meant was never worth more than 20 silver francs, four 5-franc pieces, and *vice versa*. There was no variation in value between the metals as money. The variation, he said, had been between the metals as commodities, as bullion, outside the monetary system. I should not admit that, regarded as money, at all events for domestic purposes, there had been any variation in the ratio, but when you come to international transactions, you use the word money in a slightly different sense. There no doubt there would be a variation, but I should say that the variation had been very slight; and I should like to mention this which was once remarked to me at Manchester, which I think illustrates the amount of the variation which prevailed before the year 1873. A Manchester merchant said to me: "We "never heard of this silver question before 1873; "whatever variations there were they were so slight "that they did not interfere with business, but since "1873," he said, "the first question asked in Manchester "before any business can be done is, what is the price "of silver." That marked a complete change in all the conditions of business transactions in Manchester after the year 1873.

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23,844. (*Mr. Chaplin.*) Before that period such a question never was asked I understand you to say?—It never seems to have occurred to them to ask it.

Relative production of gold and silver since 1840.

23,845. Have you got any chart which would show the immense change there has been in silver since the period you speak of?—Yes, I have a chart here prepared by Sir Guilford Molesworth, I am afraid it is a very small one, I had hoped that a larger one would have been here. It is a chart which consists of two portions. In the lower portion the relative production of the precious metals is shown in percentages. The percentage of gold produced in relation to silver is marked by *this* varying line. It will be seen that at the beginning of the century the percentage of gold produced in proportion to silver was something like, as far as I can judge by the eye, 35 per cent.

23,846. (*Mr. Giffen.*) Of weight?—Of value at 15½ to 1; it is put in that form; it brings out the same ratios. About the year 1840 the proportion of gold was nearly equal to that of silver, very nearly cent. per cent.; it was about 110 per cent. as compared with silver at 15½ to 1. In 1850 it suddenly rises until it is more than 300 per cent. as much as the quantity of silver—always taken at that valuation. After 1850 it falls until during the period 1873 to 1890, it averages almost exactly 100 per cent. at 15½ to 1. I want to make one remark upon that point which is rather curious. It is rather curious that that period, 1873 to 1890, was the period during which the ratio showed the greatest variation; it was also the period during which the production of the metals followed almost exactly the formerly established mint ratio of 15½ to 1.

23,847. (*Mr. Chaplin.*) During that period the ratio showed the greatest stability you say?—No, if the production of the metals were the matter essentially determining the ratio, then the ratio from 1873 to 1890 ought to be 15½ to 1. The production of the metals followed exactly that. I do not say that would be the cause, but supposing that were the cause, the ratio should remain stable; on the contrary we know that that was the time during which the ratio moved most violently.

Effect of relative production of the metals on the ratio.

23,848. (*Mr. Giffen.*) Of course there is no reason to believe that the proportion of the production of the two things to each other regulates the price?—In my opinion none whatever.

23,849. Then what was the use of mentioning it?—It is an argument constantly put forward—every day it is being put forward in the papers, even in the City papers, dealing with the subject.

23,850. I think it is constantly put forward in bimetallic literature, but I have never seen it in anybody else's writings?—Pardon me, it goes exactly against our principle, which is that the production has nothing to do with it if you have a fixed ratio free mintage.

23,851. I have certainly seen such statements?—I am very much surprised. I cannot conceive how such statements can be put forward by bimetallists. Then there is another point in this Chart to which I should like to call your attention, and that is that during the period in which there was a most remarkable change in the production and supply of the metals, at 1850, the ratio remained very nearly stable. If you look at the chart above, which shows the fluctuations in the ratio,

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you will require almost a magnifying glass to see those fluctuations; they are only something like 3 per cent. At the time when the production is most steady at about the relative quantities of 15½ to 1 the ratio fluctuates most violently. I have only put in this chart as showing that the ratio was quite independent of extreme fluctuations in the production of the metals during the years 1848 to 1852, whereas after the year 1873 when there were no such remarkable fluctuations, such as might have caused a variation in the ratio, the ratio nevertheless falls away in the most remarkable degree; in a degree which is, I may say, quite unparalleled in the whole monetary history of the world. There is no period in the whole monetary history of the world, so far as I know, when you have a change in the ratio between gold and silver at all corresponding to the change between 1873 and the end of 1893. I put that chart forward to show that the mintage arrangements of France and other countries undoubtedly did have some effect in controlling the variations of the ratio, because directly they were suspended the ratio broke away in a manner unparalleled in previous history.

23,852. (*Mr. Chaplin.*) And this I understand you regard as evidence that is almost irresistible that Governments can do and have done something to mitigate the fluctuations in the ratio between the metals?—It appears to me obvious.

Probable effect of adoption of bimetallism.

23,853. It was suggested in evidence before us that if this system which you recommend was adopted the result would be to create a tremendous panic and a panic which would probably be followed by the calling in of vast sums of money in London; have you any apprehensions of that kind?—No. I have never been able to understand the grounds upon which those apprehensions were held. It is very difficult to answer a suggestion of that kind unless we are informed of the commercial motives which would be likely to lead to such a panic, and I have never seen any such statement. I have seen indeed a statement of this kind that apprehending a premium upon gold people might be inclined to withdraw their gold from the banks and to hold it with a view to some future commercial advantage, but I have been unable to follow out that line of reasoning. In the first place I should say that it seems to me extremely improbable that the bimetallic system would be adopted until there was a general feeling amongst the highest authorities in the financial world that it was a system which might reasonably be expected to be both beneficial and comparatively permanent; that is, permanent for practical purposes. That being the case it is difficult for me to understand how the apprehension should arise.

23,854. (*Mr. Giffen.*) So that until you convert the City there is no chance of bimetallism?—Well, you are better able to gather that, perhaps, than I am.

23,855. (*Mr. Chaplin.*) Perhaps you will be of the opinion that that conversion is in process already?—I should be very glad to think that that was the only obstacle; for if that is the only obstacle I think we should very soon be able to deal with it. But I presume that it would be agreed that a change of that kind would not be entered upon without a reasonable belief on the part of responsible persons that it would probably be a beneficial change, and that being the case I do not see why the apprehension should arise. But then the suggestion appears to be that gold would be withdrawn from the banks in order to buy silver and so to make a profit.

23,856. (*Mr. Giffen.*) I think not?—I have seen that suggestion.

23,857. There is no suggestion of that kind that I know?—I remember seeing such a suggestion in the *Times* and writing a letter in answer to it.

23,858. That was not the suggestion?—I must have misunderstood it, I suppose; but would Mr. Giffen explain to me what the suggestion is? Then perhaps we could deal with it.

23,859. I thought I had explained myself sufficiently before?—Then perhaps it will be sufficient for me to say that I have seen no reasons alleged which appear to me to be reasonable, and to assume the ordinary commercial motives of self-interest; and although people may under extreme circumstances do very foolish things, I do not think in discussing a monetary system we need assume the existence of any but the ordinary motives of self-interest.

23,860. (*Mr. Chaplin.*) There is no object to be gained that you can perceive which would induce people to take such a foolish course as to call in money that is outstanding?—No.

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23,861. There is another point I should like to ask you a question upon with regard to the evidence which has been given. It has been urged that the fall of prices is only normal, and is another form of cheapness; you would dispute that I apprehend?—I believe I did offer evidence on that point. I certainly should dispute it; I should say that cheapness was not necessarily evidenced by a fall of prices.

Cheapness and fall in prices.

Influence of the bimetallic rates on prices.

23,862. It has sometimes been urged that bimetallism could not assist agriculture unless the ratio were raised to the old par of 15½ to one. Do you agree with that?—Upon that I should say that even if bimetallism did no more than arrest the fall of prices that must be regarded as a relief to agriculture, which is now exposed to a continuous fall; but I think that it would do more than that probably. It would probably almost inevitably bring about some reaction of prices; the degree of that reaction would in my opinion depend mainly upon the ratio which was chosen, upon the precise ratio that is selected between gold and silver.

23,863. (*Mr. Giffen.*) Is there any question of any other ratio being established except that of 15½ to one?—I think that there is a very great question indeed. In fact, I do not know that I need go into details on that point, but I have certainly not heard 15½ to one mentioned very much of late years.

23,864. You did not see a letter of M. Cernuschi in the *Times*?—Yes, I saw that.

23,865. He is the very greatest authority on the subject, is he not?—I should say certainly not the very greatest authority on the subject. He is one of the most enthusiastic advocates, but perhaps for that very reason not the greatest authority. The relief to agriculture would not be solely a question of the rise in general prices produced by the introduction of bimetallism, because agriculture might be specially relieved by an alteration in the price of wheat. I can conceive an alteration in general prices caused by raising the ratio of silver—raising the relative value of silver in terms of gold; but according to my view the alteration which would be produced in general prices by raising the gold value of silver—by raising the ratio in that sense—would not be so great as the special alteration that would be produced upon the prices of commodities imported from silver countries. We might, for example, by raising the ratio 20 per cent., bring about a 20 per cent. rise in the prices of imports from silver countries, but the total effect upon general prices might be only 5 per cent. according to the way in which I look at the question. Therefore, to put it in another way, a very small re-action in general prices might be accompanied by a considerable rise in the wheat price or the price of any import from a silver country; and so the relief to agriculture might be more than proportionate to the general relief caused by a general rise of prices.

23,866. (*Mr. Chaplin.*) What you mean, I think, is this,—and if I recollect aright you have stated that already in evidence,—that the fall in prices is due to two different causes?—Yes.

23,867. The first of them being the appreciation of gold?—Yes.

23,868. Which affects the prices of all commodities alike?—Quite so.

23,869. And that then, in addition to that, a further fall in prices is occasioned with regard to those articles which are the subject of competition with silver-using countries?—Yes, that is exactly the view.

23,870. Thus causing a divergence between the two?—Yes.

Paper-currency countries and bimetallism.

23,871. One witness that we have had before us here gave some evidence with regard to the countries with depreciated paper currency, and it was urged that even if the difficulties of exchange with silver countries were mitigated or removed, agriculture would still be open to all the disadvantages arising from the competition with countries with a depreciated paper currency; have you any observations to make upon that point?—It appears to me that the countries to which you have referred are countries which, in natural and settled monetary conditions, would be using silver; and that the principal reason why they are not using silver is because it is impossible to use silver under the present conditions, the value of silver being so variable, being left entirely to the caprice of the market. If, on the contrary, the position of silver were re-established, if

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some certainty were given to the future of silver, it seems to me highly probable that these countries might return to cash payments upon the basis either of silver alone or of the two metals jointly (it would make very little difference which) if there were a strong bimetallic system in operation. That opinion is, I know, felt and expressed; it has been expressed at all events privately, by many who are not entirely in sympathy with the views of bimetallists, but who think that that is one of the very greatest advantages which the introduction of bimetallism would hold out, namely, that it would facilitate the countries of the world getting upon a solid cash basis, these more backward countries in particular.

23,872. One effect then of the adoption of this system you think might be this: the giving up of the paper currency and the substitution of silver as the basis of the currency instead?—I think it would have a marked effect in that direction, how far of course I cannot say.

Causes of the cessation of French mintage of silver.

23,873. It has been urged also against the adoption of this system that it broke down in the year 1873, and that therefore it might be expected, whenever it was re-adopted, to come to a similar termination again. What is your view upon that point?—I have looked into that question of the actual history of the cessation of French mintage pretty closely. It seems to me that the history of it is quite clear, and is what has been described by M. Emile de Laveleye. M. Emile de Laveleye was in a specially good position for forming an opinion upon this question. I remember to have heard Mr. Gladstone describe him as the greatest publicist in Europe; and he was particularly well acquainted with the history of opinion in European countries. He attributed it undoubtedly to the movement which took place in 1865 or thereabouts, which came at all events very much to the front in 1865, for bringing about an international uniformity of coinage. The prominent idea in the minds of those men was not valuation, it was not the idea of prices; it was not the idea of the general valuation of the money of the world; but it was the idea of uniformity of coins; it was entirely a coinage question with the men of that time. In this country one of the most prominent advocates was Mr. Hendriks, in France M. de Parieu and afterwards M. Chevalier, and there were others in other countries whose names for the moment I forget. With Dr. Soetbeer too it was very much a question of coins; even to his last moments, in the last memorandum he issued, the question was always with him one of coins and coinage. Now it seems to me that in their attempts to bring about a uniformity of coinage, which was in itself a very desirable thing, no doubt, they overlooked the question of the valuation, of the movement of prices that would be caused by the abandonment of silver, which was a far more important question. That was certainly not brought forward very prominently in the debates at that time, and I very much doubt whether more than half a dozen men had clearly in view the effect that would be brought about on the valuations.

23,874. (*Mr. Giffen.*) Was it not rather assumed that gold was sufficiently plentiful?—That was M. Chevalier's opinion. He was always a little dazed, I might say, by the Australian gold discoveries, and I do not think his judgment was very stable. He recommended France to demonetise gold at one time, and afterwards with just the same light heart he recommended France to demonetise silver, within a period of about 15 years.

23,875. (*Mr. Chaplin.*) At the time of the gold discoveries, when gold was being produced in great quantities, he recommended that gold should be demonetised?—Yes.

23,876. In exactly the same way that he recommended afterwards that silver should be demonetised?—Yes. I have been very much struck with the evidence which was given before a French inquiry, perhaps we might call it a departmental inquiry, held in 1869–70. It was entitled an Inquiry on the Monetary Question before the Superior Council of Commerce. It was important, I think, as showing that the really practical men at that time, the men of business and the men of affairs had no desire to give up their system. The matter was brought forward on the part of the Government of the Emperor in connexion with the movement for a uniformity of coinage. A very remarkable Treasury Despatch was sent to the French Government on the 29th of July 1869, in which the Treasury practically said in a very summary way that they refused altogether to consider the question of the uniformity of coinage in which the French and others were interesting themselves, unless the French would first adopt a gold standard. In view of what has happened afterwards, and of the injury to England by the suspension of the silver coinage, it seems to me a very remarkable letter; it is very remarkable to see that the pressure came from this country. This subject was then remitted for consideration to this Committee by the Emperor's Government, and M. de Parieu, who was representing the Government, spoke in very strong terms on the matter. I do not think I am going too far in saying that he hectored the witnesses, especially Baron Alphonse de Rothschild, and treated him with what I should consider a very considerable want of courtesy in attempting to drive him into accepting this view, that France ought to go on a gold standard and ought to have a uniformity of coins. Some of the reasons put forward by the Government may be mentioned here, perhaps. "The great development of wealth and com-
"merce in our time makes gold most fit to be the stan-
"dard," which was the very reason why it was the more necessary to have an ample supply of money. Here the standard is evidently confused, as it so often is, with the medium of circulation. The scarcer metal, gold, was convenient for pocket money, but it was very necessary to have a broader basis for the valuation. Therefore the growth of commerce was really an argument for an increase of money, not for demonetising half the world's money. I beg your pardon, this quotation is from the despatch of our Treasury, though it does express the views which the French Government afterwards adopted. The despatch goes on to say that the Treasury will not negotiate for international coins until France abandons bimetallism, or, as they call it, the double standard. The movement then was rather one of theoretical doctrinaire persons, official economists like Chevalier, or academic students of statistics like Soetbeer, or enthusiasts for metric reform like Professor Jevons in England, and Mr. Hendriks at that time; and it was opposed by the practical business men of France and particularly by the Bank of France who were unanimous on the question, three of the representatives giving evidence and the fourth concurring, and by a large number of other bankers and practical men at the time. I should like to read one sentence from the evidence of the Governor of the bank. First of all I will refer to M. André, who was a banker in Paris. His evidence is remarkable mainly as showing the state of public opinion amongst business men. He remarks that there is a widely spread opinion that the inquiry is not very sympathetically received by men of business. He explains that when people are invited to consider a modification of the *status quo*, their attention is naturally directed to its inconveniences rather than to its advantages; but that the general opinion outside is that the public sees no danger in bimetallism. It prefers the *status quo* to the pursuit of a unification which would seem to be put forward as a foregone conclusion. This is as close a translation as I can give of M. André's remarks. Business, he goes on to say, has been very active and prosperous; why enter upon a profound revolution which existing circumstances do not render necessary and the business of the world does not demand? Then M. Rouland, the governor of the bank, challenges the opponents to show that there is any appreciable inconvenience either to merchants or bankers. These are his words, "The few incon-
"veniences of the law of 1803, do they destroy the
"necessity of the co-existence of both metals as money?
"People speak of these inconveniences as if they had
"profoundly disturbed the country, had profoundly
"compromised its development. It is very much to
"be doubted if people in general have ever heard of
"them. Show us, then, at any epoch, commerce, in-
"dustry, banking, anticipating ruin or difficulty. As
"a matter of fact these inconveniences are extremely
"trifling," *bien faibles*. He goes on to point out that England suffered far greater inconvenience in the greater sharpness of her commercial crises due to her monometallism. Then M. Alphonse de Rothschild also gave evidence. There is one passage which has been put in already, I see, by Mr. Everett, in which he said that in his opinion demonetisation would be ruin. He says in another place, "I cannot enter upon a hypo-
"thetical discussion, I can only argue upon the facts.
"Personally I am entirely for the system of the two
"standards as it exists in France; I think that the
"simultaneous use of both metals is advantageous
"from every point of view; they serve the purposes
"of business jointly, and they permit of the passage

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"from one money to another according as one or the "other enters more abundantly into circulation. If I "had to choose a system with the experience we now "have, I should not hesitate to decide for the double "standard. The two precious metals in combination "—I cannot sufficiently insist on this point—serve as "the basis of the circulation; the more abundant they "are the more easily is business carried on. I prefer "the abundance of the metals, whether they be gold "or silver, to their scarcity." That opinion was expressed in 1870.

23,877. By Baron Alphonse de Rothschild?—Then one of the directors of the bank.

23,878. Is that the present Baron Alphonse——it must be?—I am not quite certain as to that.

23,879. Then I am to understand from what you have told us that the bimetallic system in France was abandoned against the wish and the representations and the opinion of all these distinguished men of business, whose opinions you have given to us?—I ought to say that they were not all on one side, but certainly there are no names comparable with these, and these represent the Bank of France. Some of the Chambers of Commerce were on the other side, not all the Chambers of Commerce, for they were about equally divided, and some of those which dealt mostly with England were rather in favour of a gold standard, but there was no sign that those men had considered the question of valuation. In their evidence they speak simply of the cost of the exchange, whereas Baron Alphonse de Rothschild raises the question of valuation. I should like to add that M. de Parieu's comment on the evidence from Baron Alphonse de Rothschild is very curious, and shows the tone and the state of the question at that time. He insinuates that the Baron was acting in the English interests, and that the employés at the bank had prepared his evidence. He even goes so far as this. He says: "You and I occupy different points "of view. I take the economic and above all the legis- "lative view of the question, you are taking the busi- "ness view." He was, in fact, practically told that he ought to adopt the principle of the gold standard because it was the view of the Government.

23,880. Do you mean to say that it was a political thing?—I do not mean to say that it had become political then. I think it became political after the German demonetisation; but at that time it was, I think, rather one of the Emperor's many movements in the direction of English policy.

23,881. (*Mr. Giffen.*) Then there was, in fact, a strong party against bimetallism before 1870 in France?—A Governmental party; I do not see any sign that it was a national party, or that it represented any of the general interests of France. But there was a movement on the part of the Government which I think was stimulated by that Treasury despatch.

23,882. (*Mr. Chaplin.*) The argument of those who were opposed to it at that time I understand being this, that business was active and prosperous, and they saw no reason for desiring a change?—That was the argument of the more simple men, if I may say so, like M. André, but the more far-seeing men like Baron Alphonse de Rothschild went further, and they saw a very great disadvantage arising from the disturbance of the valuation.

23,883. I suppose you would say it is because business is generally inactive and unprosperous at the present time that the more simple men in this country desire a change now in the other direction?—I think that is probably the case.

Adoption of gold standard in England in 1816.

23,884. The change to a gold standard in this country, I think, was made in 1816, was it not?—The sovereign was adopted at that time; the change was in process, but it was not completed till 1821 or thereabouts.

23,885. It was made under the Act of 1816?—Yes.

23,886. Under the auspices of Lord Liverpool, I think?—The second Lord Liverpool, following on the advice of his father.

23,887. Is there any reason to suppose that Lord Liverpool at that time at all foresaw the probability of the example of England being followed by other countries, or that he had the least idea of the consequences to the metals which would follow if his example were adopted?—I am not able to say very accurately what the second Lord Liverpool's opinion was, but he acted upon the advice of his father, and it was his father's opinion which was usually quoted. In his father's book, the Treatise on the Coins of the Realm, I see no proof whatever of any consideration of this question of the valuation and the general effect on prices; nor do I see any reference to the policy of foreign countries; no reference whatever, for example, to the enactment of the 15½ ratio in France in 1803, although a number of the most trivial details are inserted with regard to the history of our own coins. It was with the first Lord Liverpool, I think, mainly a question of coinage, of a convenient accurate standard in the sense of a coinage standard, and the broader questions were certainly not discussed.

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23,888. Is there anything else you would like to state to the Commission in your evidence-in-chief?—I hardly remember what has been stated, because the order of my brief has not been exactly followed, and, therefore, there may be one or two matters untouched, but I do not wish to insist upon them—the examination has been so very long.

Effect of fall in prices on production.

23,889. (*Mr. Giffen.*) I should like to ask you one or two questions to begin with as to the effect of falling prices on production. I should agree that the effect is serious as far as the distribution of wealth is concerned at the time the change takes place, but I gathered from you that you rather thought the effect of a period of falling prices is to diminish the production of the community as compared with a period of rising prices?—Distinctly, as compared with a period of rising prices.

23,890. You said, I think, that you had no particular evidence to give us of facts that you had observed that would confirm you in that conclusion?—I think it is impossible to put in any evidence for this reason; that the general increase of production is due to so many causes many of which are equally continuous under rising and falling prices, but I hold that so far as the movement of prices has any effect a falling movement would, on the whole, discourage production.

23,891. But is it not rather a strong opinion to express without any facts which you have observed to confirm it?—No, because I think it is perfectly clear how the thing works, and it is almost the unanimous opinion, so far as I have been able to gather it, and I have heard a good deal of the business opinion lately of those who are engaged in production.

23,892. Is not the effect of a period of inflation to cause a great deal of waste?—Yes, I admit that incidentally; that is an incidental disadvantage, especially if the rise is sudden, but it depends very largely on the degree of the rise.

23,893. If you have a period of falling prices the effect is rather to check that disposition to inflate and to waste the means of a country in that manner?—Yes.

23,894. And so you have a check to bad production in that manner?—I fully admit that, and I think the curve of prices shows very clearly that there has not been so much speculative inflation.

23,895. So there would be a good deal to say on the other side, that the effect of a régime of falling prices might rather be to make people diligent and persevering and to prevent them indulging in those wasteful measures which they are sometimes apt to indulge in when everything is glowing and prosperous in appearance?—If I may quote a remark that I have printed upon the subject I have said that it is very much like rowing against a stream; the man who rows against a stream has to be on the alert, he has to exert himself, and no doubt does put forth very great energy, but it would be better on the whole to have the current in his favour, especially if his traffic was of much importance.

23,896. Have you never heard of such an opinion as this, which I have frequently heard in the City, that the time of the greatest real prosperity as a rule is the time when prices are falling and when everybody is complaining?—Well, I could not admit that, unless it were that people at that time were looking forward to—and had reason for their expectation—a subsequent recovery of prices.

23,897. That was the undoubted City opinion which I have quoted to you, which I consider a very good opinion, that the real prosperity is greater, probably, at a time like the present, than it is at a time when prices are rising and everybody is confident and happy?—I could not admit that, except in the case of a very extreme rise of prices.

23,898. I merely wish to get it on record that there is a contrary opinion to yours held by people who are

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in business, and that you have no facts to support your opinion?—Well, of course, I do not know on what facts you established the contrary opinion.

23,899. You have stated no facts to support your opinion?—Quite so.

23,900. That being so, I simply wish to get on record that there is a strong business opinion, in my judgment, the other way?—I should like to ask whether that business opinion is to be found in the productive centres, or amongst what might be called the middlemen in the city?

23,901. It is more a banking opinion than any other opinion?—Then I do not call it in question at all, but I am not speaking of bankers or middlemen in any respect; I am speaking of producers, whether they are in a cotton district or in an agricultural district.

23,902. Still, bankers are connected with many different kinds of business, and know how things go on?—I have had some very remarkable reports from bankers as to the way things are going on in the North of England. A banker in the North of England wrote to me the other day and said it was extremely critical; a man engaged in a position in Liverpool particularly favourable to observation, writes to me that he has never known in 25 years the state of business so critical in Liverpool as it is now. I may say that he has no views upon the currency question at all, and he wrote to me as an old schoolfellow.

23,903. That refers more to the possibility of failures than to the question of the amount of production, I suppose?—I will not pretend to say exactly what it applied to. That was the statement made, that in 25 years he had never known things so critical as they are now.

23,904. Have you looked over the statistics of production and the movements of commerce over a long period of time, say, from the beginning of the century, as regards the quantities and not the values?—Yes.

23,905. Did you not observe that the quantities are much more steady than the values all the way through?—I perfectly admit that. I do not know that I have made it quite clear; I have never stated that the effect of the fall of prices was sufficient to check all the other causes which make things improve. I merely say it has a depressing effect; but invention is proceeding, the opening up of new countries is proceeding, the efficiency of industry is growing, and it would be extraordinary if there were not some advance.

23,906. As a matter of fact, if you look at statistics, you can find no sufficient evidence that there is a much greater production and prosperity, as a rule, in times of high prices than in times of low prices?—I remember being very much struck with some evidence you yourself brought forward at Manchester, at the meeting of the British Association. You had been investigating, I think, the rate of increase of the national capital, and you said you had been struck with the fact that although there was a positive increase, yet everywhere the rate of increase had fallen off after 1873.

23,907. I think if I remember correctly that was a discussion of the recent rate of material progress in England?—Yes, it was.

23,908. In which I referred to certain indications or apparent indications of a falling off in the rate of progress?—Yes.

23,909. But I came to the conclusion that there was in point of fact no falling off?—I am very sorry I have not the paper before me. Certainly that was not the impression left on my mind that you wished to convey.

23,910. That was the impression that I wished to convey by the paper and I may say that since then it has been rather confirmed by further looking into the facts which have occurred since I read the paper at Manchester and since I dealt with the subject. But you have no facts on the subject to contribute yourself?—I have already said that I do not think any facts could be conclusive because they could only show what the actual rate of progress had been and not the particular effect due to the monetary change.

Bimetallism and prices.

23,911. To go on to the other points, I suppose you do not contend that the return to bimetallism, or the introduction of it would prevent a fall of prices in the future?—Not absolutely; it is conceivable that the supplies of the metals might cease, for example, altogether.

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23,912. Do we not perceive in the table before us that between 1820 and 1850 you had as great a fall of prices as what has happened since 1873?—That was due to very special causes outside the supply of the precious metals, I think.

Fall in prices in 1820–50.

23,913. It does not matter from what cause. It seems a case in point in which you had a fall of prices with both precious metals in use, and with the bimetallic par existing?—I have admitted that that is possible, but do you wish me to go into the explanation of that fall of prices of 1820? It seems to have been mainly due to the contraction of the excessive paper money and banking credit which was expanded during the period of 1790 to 1820.

23,914. Still it occurs with the bimetallic par existing?—Certainly.

23,915. And we know very little what the circumstances of the future will be and we do not know at all but what the same thing might happen again; there is nothing in the nature of bimetallism, is there, to prevent a repetition of this fall of prices?—Of course you might have bad banking again, but I do not think it is reasonable and probable at this time of day that we are going to have the banking of 1810 or 1820 or even of 1780; in fact it is impossible by law, to some extent, because at that time the country bankers put out notes in the most reckless and profuse manner.

Bimetallism and a fall in prices.

23,916. But looking forward to the future can you say that with bimetallism there would be no fall of prices?—I have never said that, but it seems to me extremely probable that the tendency to a fall of prices would be very much mitigated. It is a question of estimate, I quite admit.

23,917. You would not admit that the recent fall of prices has been the result to some extent of the return to specie payments after the use of inconvertible paper?—It would have been less of course if that had not taken place.

Fall in prices since 1873.

23,918. In fact the circumstances of the last twenty years are not unlike those that existed in 1820?—I think so. I think they are very unlike. I do not think there was ever that extravagant banking in the United States for instance—there was nothing comparable to the banking that went on in England in 1780.

23,919. But would you not say in the United States there was inconvertible paper?—Yes, there was inconvertible paper.

23,920. Prior to 1878?—Yes.

23,921. And that there great disturbance had been produced in consequence?—Yes.

Panic of 1873.

23,922. Do you recollect the panic of 1873?—I am not very well acquainted with the details; of course I remember it in a general way.

23,923. Was there ever a greater panic in any country at any time than what happened in the United States in 1873?—I think we had as sharp a panic in 1866, perhaps sharper and more decisive. You may measure the severity of a panic in several ways—by its duration or intensity—but for sharpness and decisiveness I do not remember myself a panic comparable to that in 1866.

23,924. Not even in the United States when no bank stood at all, when in fact they had to pool their money and make special arrangements for the payment of gold and silver?—That seems to me not a very extreme circumstance. In the United States that has been done lately, in fact it has been done two or three times within my recollection.

23,925. It was more extreme in 1873 than lately was it not?—Yes, it was distinctly.

23,926. So that your argument rather is that bimetallism if it had been continued you think might have prevented or mitigated the particular fall of prices which has occurred since 1873?—Yes.

Bimetallism and a fall in prices.

23,927. But you do not put it forward as preventing a future fall of prices when circumstances occur to cause a fall?—I could not assent to a question put in those terms. It seems to me highly probable that with the present supply of silver it would for any period to which we might reasonably look forward—but it is very difficult to look very far forward in these matters—prevent any fall; in fact I ought to say that the strongest objections which I have heard recently brought against bimetallism, and coming from the

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ablest quarters, have been brought against it precisely on the ground that it would inevitably bring about an inflation of prices. I think the truth lies between the two.

23,928. We cannot very well foresee very far ahead, and we do not know but what after we have introduced bimetallism in 10 years, or 15 years, or 20 years, you will not have circumstances arising which would bring about a fall of prices comparable to what you see now?—Then I should like to ask what would happen if you had not bimetallism in those circumstances—you would have a fall of at least double intensity.

23,929. I do not know what the circumstances will be—I do not profess to know; that is one of the reasons why I think we should be very careful in regulating the future action of the State as to circumstances which we cannot foresee?—I quite allow that; but it seems to me that if the circumstance is a scarcity of money it is likely to have more pernicious effects when you depend merely upon one metal than when you depend upon two.

23,930. Still we do not know very well?—I admit there are uncertainties.

Effect of abandonment of bimetallism on contraction of gold.

23,931. I should like now to ask you some questions about the contraction of gold which took place about 1873 or shortly after, and which you ascribe to the abandonment of bimetallism?—Yes.

23,932. I should like to ask you how far the abandonment of bimetallism really contributed to the contraction of gold; you admit that the questions are quite different?—I quite admit that.

23,933. Then in the list of measures which you referred to you mentioned the suspension of the coinage of silver by Russia and by Austria?—Yes.

23,934. This was part of the demonetisation of silver that went on?—Yes.

23,935. Did these measures contribute in any way to the contraction of gold?—I think that they have incidentally contributed, because the Russian Government has accumulated a very large gold reserve.

Suspension of silver coinage by Russia.

23,936. But Russia was a country of inconvertible paper before 1876?—Yes.

23,937. Which I think was the date of the suspension of coinage; and it has been a country of inconvertible paper since?—Yes.

23,938. In what way could the suspension of the silver coinage in Russia produce a contraction of gold?—I should like to say first that I have found it very difficult to understand what is the real policy of the Russian Government, and I have made some attempts to ascertain in quarters that ought to be well informed, but it appears to be not easy to find out what is being done there. My view would be this: that the large gold reserve which has been accumulated there might very well have been a silver reserve had bimetallism been maintained: but the principal reason why the Russian Government has been obliged to accumulate gold, which it says it holds against this paper, and which it may hold for military purposes possibly also or altogether——

23,939. Do you not think that the military purposes are the main explanation?—Personally I should have been inclined to take that view, if the direct negative had not been asserted by Russia's financial agent in a very strong way.

23,940. As a matter of fact in the military history of Russia they have always given a considerable amount of attention to the accumulation of gold for war purposes—that we do know?—Before 1873?

23,941. I am acquainted with a reference to the subject of Russian accumulation of gold for military purposes at the time of the contest with Poland in 1832 or 1833?—Yes, but I should like to draw a distinction there; no doubt gold would have been desired for military purposes in the 18th century because the difficulties of transit on the part of the precious metals were so enormous.

23,942. But this was the present century?—Yes, but it applies equally to both centuries up to a certain time. When the difficulties of transit were great there might have been an advantage in having gold. At the present time I see no advantage, because the difficulties of transit are practically the same for each.

23,943. But military governments do not seem to think so?—According to my view they are unwilling to rest their war chest upon silver because silver is discredited, and it is impossible to state what the value is, and it is not at the present time readily acceptable for business purposes.

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23,244. Is that not always the case that the military people go for gold and not for silver as a matter of fact?—I do not know myself any evidence of that.

23,945. Then you are not aware of that evidence which was given by a Rothschild of the time before a Committee of the Bank of England in 1832 or 1833?—I have not seen it.

33,946. In which he referred to the imperative demands of Russia for military purposes for gold?—No doubt that would be correct.

23,947. Was there not a demand for gold at the time of the outbreak of the Russo-Turkish war in 1877–1878?—That was after the demonetisation.

23,948. I am giving you cases before as well as after?—As regards the cases before I was not aware of them.

23,949. Was there not a great demand for gold especially by Wellington in Spain and Portugal at the time of the conduct of the war there—especially for gold?—I am not prepared to say; I have not gone into this matter of military expenditure.

23,950. Of course gold is much more easily carried about in a military chest with an army than silver?—Yes, but I am not aware that the German Government for example in its war operations required any considerable amount of gold.

23,951. As a matter of fact in 1870 or thereabouts the German Government changed its military chest from silver to gold?—After the war.

23,952. After the war?—Yes, but not in order to carry on those operations.

23,953. I think they accumulated a good deal of gold and were most particular about it for their operations?—It seems to me that the principle of requisitions rather puts that on one side; it is a simpler principle.

23,954. I think that this is taking us into a very interesting line of argument but I should rather wish to bring out the fact that the military people attach a great deal of importance to gold as distinguished from silver in their military chests?—Perhaps I ought not to go further in reply to that than to say that the preference for gold has naturally been very much increased by the demonetisation of silver which has discredited that metal and would probably be much less strong if silver were reinstated.

23,955. That particular measure of Russia that you are speaking of, the suspension of the coinage of silver in 1876, caused no immediate contraction of gold at that moment, did it?—No.

23,956. And the same with Austria in 1879?—No, they were only signs of the tendency of European opinion against silver, and were very important from that point of view.

Suspension of silver coinage by Austria, Scandinavia, and Holland.

23,957. Still Austria was a country of inconvertible paper before 1879, and the suspension of the coinage stopped something that was competing with paper and not with gold?—Yes.

23,958. Then were the Scandinavian countries such that the change there, whatever it was, caused no serious demand for gold?—No, not relatively to the other changes.

23,959. It was a small matter?—It was a small matter.

23,960. And the same in Holland?—I should think Holland was the more important of the two.

23,961. It is a very small amount, is it not?—It is relatively a small amount compared with England and France.

23,962. It is a very small amount really because they had some gold before?—Yes.

23,963. And the demand for Italy never became an effective demand, for she rather lost the gold which she took?—Afterwards, yes.

23,964. So that the only important countries in the question which you have referred to, I may say were Germany, France, and the United States?—Yes, practically.

Demonetisation of silver by Germany.

23,965. In the case of Germany the change was not the abandonment of bimetallism, but a change from silver to gold?—Yes, but that was the cause of the

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abandonment of bimetallism and the beginning of the whole disturbance.

23,966. Still it was not the abandonment of bimetallism by Germany, but a change from silver to gold?—But surely it arose out of the general movement against silver.

23,967. No, the question which it leads up to is this: what you desire is a restoration or a return to bimetallism?—Yes.

23,968. But I am pointing out that what you really wish is something much beyond that?—If you mean something much beyond the old Latin Union system, I of course agree.

23,969. You do mean something much beyond that?—I mean an international bimetallism, and I speak of it in no other sense.

23,970. How much was the demonetisation of silver by Germany—how much silver was actually parted with?—I have the figures; I believe Germany parted with half the total amount which was something like 26 millions.

23,971. What was parted with, about 13 millions?—No, more than that.

23,972. Or 26 millions?—26 millions was something like what they parted with, if I remember rightly. Their sales continued till about the year 1879 when they terminated, and I believe at that time about half their silver was undisposed of; what has happened since I do not know. *The witness subsequently wrote*—Germany sold 28,356,989*l.* worth of demonetised silver up to May 31, 1879. It is supposed that the total surplus silver coin available for sale was about 54,000,000*l.* worth.

23,973. They did not abandon silver altogether, they continued the use of the silver that they had?—Yes.

23,974. And they also made arrangements for coining a considerable quantity of token silver?—Yes.

23,975. That was the extent of the demonetisation of silver by Germany?—Yes, quite so.

23,976. And a certain part of the demand for gold was occasioned not by the change from silver to gold, but by the change from paper to gold?—Yes, in the States, undoubtedly.

23,977. They gave up the notes of small denominations and they made room for a certain amount of gold?—Yes, but then you are assuming that these changes from paper, if they had been made under a bimetallic régime, would necessarily be made to gold.

23,978. The belief is, I believe, that they are necessarily in gold because the amounts are too large for silver?—I do not follow that. The amounts of French trade were very large, but they were very largely based on silver, and they are now based upon it to the extent of 50 millions sterling.

23,979. I am speaking of the actual handling of coin. You want coin of a certain kind to handle?—Yes.

23,980. And the only coin suitable for handling is gold and not silver?—Surely that was not done in the United States, for example, where they still use paper. I have travelled there, and have not seen any gold coin at all.

23,981. If they were to give up the paper, then for certain monetary purposes in daily use they would have to take gold and not silver, because silver would not be suitable?—It seems to me that two questions are raised in your question practically—the abandonment of an *inconvertible* paper currency, which is one thing, and the giving up a paper currency altogether, which I do not admit the United States ever did.

23,982. I am not saying they gave up paper currency altogether?—Therefore they did not require gold for coinage purposes; they merely required it for a reserve.

23,983. Still, if they were to give up certain kinds of paper they would require to use coin for certain purposes, and it would be gold and not silver?—That is a hypothetical question, because they have not done so.

23,984. It arises out of the practical question of what happened in Germany. Germany gave up small denominations about 1871 or 1872?—Yes.

23,985. And that made a certain demand for gold?—Yes.

23,986. Which was not merely a change from silver to gold, but a change from paper to gold?—That is true, but that was not a case of inconvertible paper, but of convertible paper.

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23,987. No, it was a case of convertible paper?—There was no necessity for the change.

23,988. Still it was done?—Yes.

23,989. And it is a kind of change that might happen with any Government exercising its free right of action in these matters?—It might happen, but the tendency seems to me the other way, rather—in the direction of giving up coin for paper.

23,990. (*Mr. Chaplin.*) For convertible paper?—Yes, for convertible paper; that has been the tendency in the Anglo-Saxon countries.

23,991. (*Mr. Giffen.*) I am discussing the actual history in the past; you describe the contraction of gold as due to the abandonment of bimetallism, and I am mentioning these as causes of the contraction of gold, which were not due to the abandonment of bimetallism at all?—If that argument is to be used I think I ought to make one more remark. There would not necessarily have been a general contraction of prices owing to this adoption of gold by Germany, if silver had been available to take the place of the gold which Germany drew from other countries. That silver would have been available under a bimetallic system, but it was not available after the suspension.

23,992. Perhaps we shall come to that later on, but I am merely getting out the facts that, as a matter of fact, the contraction of gold which we are dealing with was not due to the abandonment of bimetallism directly?—I want to know what the contraction of gold means; does it mean the increase in the value of gold?

23,993. That there was a greater demand for it?—As to that I admit it.

23,994. And a greater employment of it?—If the contraction of gold means a rise in the value of gold——

23,995. I am merely speaking of the actual fact of the greater demand, of the greater employment for gold?—Yes, undoubtedly; I admit that.

Effect of cessation of French mintage of silver on demand for gold.

23,996. With regard to France, did the change that France made about 1873 and 1874 cause a very great extra demand for gold in France than what would otherwise have arisen?—I think so, undoubtedly. This appears to have happened in France during the last 10 or 15 years, if I may judge from the reports of the Governor of the Bank, there has been a very considerable tendency on the part of the people to exchange their metallic money for notes of the Bank of France, and in consequence the Bank of France has now an enormous metallic reserve, of which perhaps 68 millions are gold and 50 millions silver. If France had still been bimetallic and if the value of silver had been maintained all over Europe in the old way, if the fixed ratio had been preserved, I see no reason why France should require to hold 70 millions of gold.

23,997. The French people might have preferred to have gold either in the Bank of France or passing from hand to hand?—I doubt whether it could have got into the Bank of France. How could it have got in? If it had been more in request in Germany for example——

23,998. Perhaps there has been no very great excess of imports of gold into France since 1870?—Yes, I think I have the figures of the reserve here, but surely the gold reserve was not as much as 70 millions? I think they are given in Mr. Hucks Gibbs' book. I see that does give the amount of gold and silver held by the Bank of France at various dates, from 1811 to 1885——

23,999. I am not disputing at all that there is more gold in the bank of France, but how much more gold has France taken from the rest of the world than it would otherwise have taken?—It seems to me that under the circumstances you have supposed—the demand of Germany for gold, for example, and the demand of some other countries, possibly of America—there would have been a tendency to an agio upon gold for those purposes.

24,000. I am speaking of what the demand for France would have been?—Yes, but if there had been an agio on gold for those countries silver would have been taken by preference to the French mint.

24,001. You say that the stoppage of the coinage of silver in France and the abandonment of the bimetallic

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standard raised a demand for gold in France, but I should like to know how much gold has France taken which it would not otherwise have taken?—It causes a demand in this way, that you cannot bring silver to the mint in France now. The only money which you can bring is gold money.

24,002. But how much?—How much?

24,003. It is a question of degree; you say that this action on the part of France caused a great contraction of gold, and to my mind it is a question of degree?—You mean can I estimate roughly what I think is the excess of gold caused in that way.

24,004. What has France taken that it would not otherwise have taken?—I think probably in the natural course of things, if bimetallism had not been abolished the greater part of the French reserve at this time would have been silver; I think we might fairly say it would have consisted mainly of silver with at least 30 millions of gold less than it holds at present.

24,005. How much?—30 millions.

Monetary changes in the United States.

24,006. Then to come to the case of the United States, that was not a case again of the abandonment of bimetallism, but it was a return to specie payments from inconvertible paper?—Well, I am not prepared to admit that altogether; it is a complicated matter to state.

24,007. As a matter of fact down to 1878 the United States was a country of inconvertible paper?—It was.

24,008. And the change there was from inconvertible paper to gold, not from silver to gold?—As a matter of actual circulation certainly it was so. The actual circulation you mean was not silver at that time?

22,009. The actual circulation was not silver?—No, it was not.

24,010. Therefore, so far as the United States was concerned, the change was from paper to gold?—Yes.

24,011. And the contraction of gold was due to the change from paper to gold?—Yes.

Demand for gold caused by abandonment of bimetallism.

24,012. As far as you have told us then the total demand for gold, which has arisen on account of the abandonment of bimetallism, is that 30 millions of gold that you speak of as having been demanded by France, and all the other changes are certainly changes in the direction of the contraction of gold, but not connected with the abandonment of bimetallism?—We are arguing all through upon different meanings of the term "contraction of gold." You mean that that has been the only positive additional monetary demand for gold in the sense that that is the only additional quantity of gold that has been actually added; but then there has been an increased demand for money in general all over this period.

24,013. Well, can you give us any details of that demand?—The increase of commerce and the increase of population——

24,014. Has there been any increased demand for gold in England?—I think so, undoubtedly.

24,015. Is it not the case rather that there has been a smaller consumption of gold in England than there used to be?—That is exactly the point that I want to bring out. Are we to say that because there has been a smaller consumption there has, therefore, been a smaller demand. The intensity of the demand is not marked by the quantity consumed.

24,016. Then the demand has not been effective unless it has taken the form of consumption?—It has taken the form of raising the price of one metal, namely, gold.

Demand for gold caused by increase of population and commerce.

24,017. You say there has been a great addition to the demand for gold in consequence of the increase of population and matters of that kind?—Yes.

24,018. And in consequence of the demonetising of silver, as a matter of fact, in the countries of Europe and of the bimetallic area generally, whatever demand there has been has been independent of the demonetising of silver, has it not?—I should put it exactly the opposite.

24,019. I mean independent of the abandonment of bimetallism?—I should put it this way: That there has been a very considerably increased demand for money in consequence of the general advance of commerce and the general increase of population, and the general development of new countries; and that in consequence of the demonetising of silver that demand has not been able to be supplied by silver. You say it has only been supplied to a very small extent by gold—30 millions sterling. I admit that. The consequence is the rise in the price of gold, which is really the kind of contraction that I am speaking of all through.

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Demand for gold caused by abandonment of bimetallism.

24,020. I am also trying to get out of you the extent to which the abandonment of bimetallism has actually led to the demand for gold?—It seems to me that in answering that question you wish me to say how much the extra supply of gold for currency purposes has been, which is a very different thing from the demand for it, I may grant that actually only 30 millions more has been put into circulation in direct displacement of silver.

24,021. Surely the supply of gold in the last 20 years has been very much more than 30 millions sterling?—But not the available supply for monetary purposes. The arts demand has been increasing steadily

24,022. But still, as a matter of fact, the abandonment of bimetallism has caused a comparatively smaller portion of that demand for gold which has taken place?—It appears to me that we allege a scarcity of gold; you reply that very little gold has been added to the circulation; and it follows from our position that very little has been added; but we say very much has been wanted.

24,023. No; my question is, you say that the abandonment of bimetallism causes the demand for gold. I say that the demand has arisen in other ways and not by the abandonment of bimetallism?—If you like to put it in that way I do not object. It might have been supplied in other ways than by gold; but for the abandonment of bimetallism it would have been supplied by silver.

24,024. You cannot show that it would have been supplied by silver?—Yes, as long as the mint law of France remained it must have been supplied by silver, because there was nothing to prevent any man minting unlimited quantities of silver at that mint.

24,025. But a country does not mint unlimited quantities of the metal which is its standard because the metal is there, it only takes the quantity which it thinks is proper?—I do not admit that; it is not a question of what the country thinks proper. It is what the person who possesses the bullion thinks proper, whether he thinks proper to sell to the Bank of England or to the Bank of France—there is absolutely no limit to the sale at either place, or there was none before 1873 in France; and there is none in England now; it is not a question of how much gold we want. We never close our doors to any amount of gold.

24,026. Surely there is such a difference made by the disposition of people as to whether they would accept the metal or not, whether they want it or not for any particular use?—Is not that a question of coinage that we are coming to now—that, of course, I admit.

24,027. I think not?—The quantity of sovereigns is limited.

24,028. For instance, anybody may take gold to the English Mint?—Yes.

24,029. But you know as a matter of fact that there is less gold used in England in proportion to business than in any other country?—But as soon as ever a demand for a monetary metal had asserted itself, and I think we both agree that in the nature of things that demand must have increased owing to the increase of population and of commerce, that demand might have been supplied in two ways under the whole system, and I take it that as soon as gold became scarce on account of the Russian demand for a war chest or whatever the cause may have been, or the American adoption of gold, so far as it did actually adopt gold, then the supply would have been met by silver, and there would have been absolutely nothing to check a silver miner from taking mountains of silver to the French Mint and getting legal tender in exchange for it.

24,030. That would not apply to the case I am taking?—No, but as long as the French Mint keeps open—I do not think it would have remained open permanently—but as long as it did, there was an absolute demand for any amount of silver produced, and therefore the whole valuation of Europe and of the world rested upon this mass of silver which was all available for monetary purposes.

24,031. I do not think you can say that there was an absolute demand for any amount that can be produced, because surely all experience tells us that even when the mint is open a country does not take an unlimited quantity of the metal that is produced. Is there any

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evidence of a country taking an unlimited quantity?—I have no evidence of a country refusing to take any under the law of free mintage.

24,032. But they must give something for it surely?—They must give legal tender for it of some sort.

24,033. They must give something for it?—They may either give the money back again or they may give legal tender.

24,034. But although you give back the coin for the deposit of the metal at the mint, a country does not make more use of the metal than what it requires for its purposes, and therefore there is no unlimited demand by what takes place at the mint?—That depends very much upon whether the metal is coined or not, in my opinion.

24,035. How much could France afford to take of the precious metal brought to it in that way; what goods would France give? It would not give goods to an unlimited extent for silver which it does not want. (*Mr. Chaplin.*) Is not the fact in point of law this: that the person who finds the bullion has the right of taking it to the mint and requiring it to be coined, and that the metal which has been coined is handed back to the person and he puts it into circulation?—That is one form, but that is not the American form, and not the form recommended by Ricardo, which I think would be better. But still I am prepared to take it on that ground; and I apprehend that you could always have bought wine from the French producers by offering as legal tender French francs. There was never a double price for wine; a gold price and a silver price.

24,036. (*Mr. Giffen.*) That is to say the French people would take as much of the silver as they thought proper—as they required for their purposes—but that they would not take an unlimited quantity of silver any more than an unlimited quantity of diamonds?—Do you mean to say that a Frenchman would refuse a legal tender; I cannot realise the situation of a man who says, "I will not have money."

24,037. I am merely speaking of the actual practice. I am giving you the case of England; anybody may bring gold to the Mint of England?—Yes.

24,038. But as a matter of fact we use less gold than almost any other country in the world according to our habits and customs?—Yes, that is so.

24,039. Is it not the case with other countries as well?—But still there is no restriction. The whole of the African gold can be brought here and can be minted here.

24,040. Yes, but if people pass it away as soon as they get it, and only take what they mean to use, that is not an unlimited demand?—I think it is an unlimited demand for the metal; I think it is an open market.

24,041. The mint is only a machine for turning a certain quantity of gold into coins?—But it is more than that in England.

24,042. And that is not an unlimited demand in any shape or form?—I should say in answer to that in the first place that that is not the actual state of the law here. The purchase is made by the Bank in return for notes. That is the ordinary form, and that makes a slight difference in dealing with it.

24,043. That is only for convenience; the exacting three halfpence makes no difference?—Pardon me; I think it makes this difference. A man might not care to carry coin from the mint; still he will carry about Bank of England notes which are much more convenient. Practically he pays them into his account and gets the power of drawing cheques against the reserve, which is the vital thing. I cannot imagine a man having the power to draw cheques against a reserve held by the National Bank, and yet that those cheques would be refused as a tender for goods.

24,044. You cannot show any evidence as to the nature and habits of the French people which would seem to show that they would have taken silver instead of gold, even if bimetallism had continued in operation?—Yes; I think I can point to this, that there were never two prices inland for silver and gold. If they had been disposed to refuse all silver no doubt that would have gone to a discount. There were not two prices but one. There was not a price in silver francs and a price in gold. I am not aware of any such double valuation; double pricing.

24,045. Is it not always the case that the business is done in the one and not in the two?—I am informed that business is usually done in notes of the Bank of France. It is impossible to say upon what these notes rest. They rest upon the joint reserve of both gold and silver.

24,046. At present they rest upon a joint reserve of gold and silver coins?—Partly, and partly bar.

24,047. But the silver coins are not freely coined at present?—No.

24,048. Then you cannot say how much of the production of gold since 1873 has been used up in consequence of the abandonment of bimetallism about that time, which would not otherwise have been used?—How much has been withdrawn from the Arts for example?

24,049. How much has been used in consequence of the abandonment of bimetallism that would not otherwise have been used?—That is not my argument at all. I do not quite follow the question. I admit, of course, that very little has been used. The whole point of my argument has been that very little money has been used. We should have used silver in addition to the gold which has actually been used.

24,050. You say the abandonment of bimetallism has caused the contraction of gold?—Yes.

24,051. Or contributed to the contraction of gold; and I wish to know how much gold has had to be employed which would not otherwise have been employed in consequence of that abandonment of bimetallism?—The point is that the gold which has been employed has been employed at a higher value because it has had to do double work. My point is not that more gold has been used.

24,052. Let me point out to you that, as a matter of fact, out of about 450 millions of gold which has been produced since 1873, the extra demands of every kind which have arisen have been far more important than any demand which has arisen in consequence of the abandonment of bimetallism. Can you still maintain your belief that it is the abandonment of bimetallism which has caused the contraction of gold with which we are dealing?—I should like to have that phrase of the contraction of gold put into an unambiguous form. When I speak of the contraction of gold I am speaking of an increased demand for gold which has caused a rise in its value. Of course, the quantity would depend on the supply from the mines; the value might rise indefinitely, but we could not increase the quantity used. The evidence of the increased demand, according to my view, is to be found in the increased value which the metal has assumed.

24,053. Suppose, as a matter of fact, that out of the 450 millions of gold produced since about 1870, 100 millions has gone to India, about 80 millions has gone to Russia, and about 240 millions has been used in the Arts as far as I can judge——?—Yes.

24,054. That is to say, you find you have had a consumption of about 420 millions of gold in different ways, and only about 30 millions of it according to your own statement is due to the abandoment of bimetallism?—No, I do not admit that, because, I think, that partly as regards the quantity which has gone to Russia, that is more than there would have been had silver been available equally for use. But still roughly I do not object to the general statement.

24,055. So that on the one side you have no direct evidence of a great amount of gold used in consequence of the abandonment of bimetallism, and you have a great deal of evidence as to the employment of gold which has arisen in different ways and from other causes?—Of course, there is no evidence of a quantity of gold being used which has not been produced—that is quite clear.

24,056. At the same time you have evidence that over the bimetallic area the quantity of silver used has increased in the last 20 years as compared with the time before?—Yes, quite so.

24,057. And that does not shake your belief in the contraction of gold being due to the abandonment of bimetallism?—Not in the least, because it appears to me clear that an indefinitely larger amount of silver might still have been used.

24,058. Might still have been used?—Yes.

24,059. That is a matter of speculation then to some extent?—Not at all, because the fall in its gold

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price shows that it was a drug in the market. I should have thought it would hardly have been disputed that if the mints had been open large amounts would have been taken to those mints rather than submit to the lower price which has ruled in the market.

Effect of open mints on demand for metal used as coin.

24,060. Is it not the case that the opening of the mints determines nothing as to the quantity of the particular metal that will be used for which the mint is open, that that depends upon the habits and customs of the people using the metal?—No, I could not admit that. I think it depends upon the habits and customs of the people using the metal, whether the metal shall lie as reserve or whether it shall be put in the form of coin. In some countries it would lie as reserve and cheques and notes would be used against it, and in other countries, less advanced countries, it would be turned into coin and used in that form.

24,061. Is not the keeping in reserve as much a use of it as any other?—Yes.

24,062. That is to say certain people put it into reserve rather than use it in making purchases?—If you put it in that way; but that silver in reserve is really in circulation.

24,063. I do not say in circulation, I say in use?—I should say in circulation for all practical purposes; the silver in the Bank of France is circulating in the shape of Bank of France notes. Then in that case I say there is absolutely no limit under the law of free mintage to the quantity of silver which can be so put into circulation.

24,064. Would that apply to any country?—To any country having a law of absolute free mintage.

24,065. So that if you had a country of 500 inhabitants with a law of free mintage you might have all the silver in the world going there if there was free mintage?—They could not refuse any.

24,066. That is to say the people will not take it, or they could not pay for it?—Nobody would take it there.

24,067. The quantity used depends upon the willingness of the people to take it, and their willingness to pay for it; it is not merely keeping an open mint?—Willingness to pay for it. I do not quite follow you when you say willingness to pay for it. What is given in return is the legal tender, that is the payment for the bullion. But you do not want the legal tender unless you have occasion to buy goods, and those who have occasion to buy goods will undoubtedly take their metal to the mint, get legal tender, and buy goods with that.

24,068. If you say a country with 500 inhabitants cannot take the quantity, is not the reason simply that they cannot pay for it and that they do not want to use it; and does not that apply to a country of 500 millions as well as a country of 500. (*Mr. Chaplin.*) Is there any country in the world with 500 inhabitants which has got a mint?—I am quite prepared to take a hypothetical and speculative view of the matter, but I do not think the question raises any real difficulty. A man will probably select as the market for his bullion the mint in that country where he is going to do business, and where he requires the legal tender which he is giving in exchange for his bullion, and he will naturally go to the great commercial countries.

24,069. (*Mr. Giffen.*) But no country is going to take the bullion unless it wants it, and unless it can afford to pay for it?—I do not understand the country paying for it; the country gives legal tender for it.

24,070. Surely all the bullion is paid for by goods in some form or other?—Do you mean to say that you can understand a situation in which people would refuse legal tender as payment for their goods?

24,071. I do not say that they would refuse legal tender; it is a matter of fact. A country would not use more of any precious metal than what it wants to use?—I believe people are always very willing to have any amount of precious metals as long as they are legal tender. My experience is that people do not hesitate at receiving legal tender.

24,072. I must say that I do not quite understand the meaning of legal tender in the use that you make of it?—I use it to cover either a paper certificate, for instance, issued against a bullion bar, or a coin.

24,073. I wish to get out from you what you mean by the mint taking quantities of precious metals, because it seems to me that beyond that is the question what the community wishes of the precious metals; how much it will take and how much it will pay for?—According to my view the community is not consulted except in this way. It is an entirely automatic operation, the taking of bullion to the mint and the obtaining of legal tender. The question may afterwards arise perhaps whether a merchant who has goods to sell will take the legal tender, though I do not see very well how he can refuse it. He certainly could not afterwards bring an action for the payment of the debt.

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24,074. But as a matter of fact no man will take and keep bullion unless he wants it for some purposes or other?—In France the bullion is left in the bank. They take notes with absolute freedom. I have never heard of anybody refusing to take them.

24,075. Somebody must hold the notes, and he is not going to hold the notes unless he prefers that use of money to any other uses?—I am afraid I do not quite follow the line of argument you are suggesting.

24,076. It is simply this, that no one will take more of money from anyone else unless he really wants it?—I quite admit that, but I have not yet come across a country or a class that is inclined to refuse money.

24,077. He will not take it to the mint unless he is to get something for it?—I think the question should be rather put in another way. He has a stock of goods of which he is anxious to dispose. The owner of the legal tender comes and says, "Here is legal tender for your "goods; money which is current in your country," and my question is, can you state a case where that has been refused?

24,078. Are not notes a kind of goods?—I should like to say that they are a very peculiar kind of goods. They are goods which are everywhere acceptable and always saleable.

24,079. But for the purpose of exchange they are simply goods?—I deny that; I should deny that altogether.

Proposal of bimetallists.

24,080. I will not continue any further this question as to the unlimited demand for a metal owing to the mint being open, but I should like now to ask you what I think you have already stated incidentally, and that is that what you aim at now is not the restoration of the *status quo* in 1873, but you wish for a great extension of the bimetallic area, and particularly that it should include England?—Yes; perhaps even there I might draw one distinction. It is the restoration of the *status quo* in 1873 in this single respect, that at that time all the silver mined could be taken to the mints; and we propose to restore that condition, that all the silver mined can be taken to the mint; but we think that it would be advisable now, in view of the preference for gold as small change which did not then exist to the same extent, to widen the bimetallic area and to base it upon an international agreement.

24,081. That goes much further in the way of extending bimetallism than what existed in 1873, does it not?—Yes, it does extend it in this respect, that in 1873 the world was on the double valuation, and we propose to return to the double valuation, but we propose to return to it by a broader method.

24,082. The only country which had an effective bimetallic arrangement in 1873 as far as I know was France, or, that is to say, the Latin Union?—Still there was no check upon the purchase of silver, the mintage of silver. The whole silver mined might have been at that time turned into money as long as the French Mint was open.

24,083. That is to say, if you had the bimetallic arrangement in France, and India was open to the coinage of silver, and China, and the other Eastern countries?—Yes.

24,084. But you wish now not only to restore the bimetallic arrangement as it existed then but to have it in the United States?—Yes.

24,085. And to have it in Germany, and to have it in other countries, I suppose, which were not then bimetallic?—Yes.

24,086. That is to say, you wish a very great change in the conditions of the use of money generally as compared with what has existed for a long time at any rate?—A change as regards the number of mints open, but not a change as regards the valuation, which will be the double valuation then as it was in 1873.

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Effect of bimetallism on demand for gold and silver.

24,087. Are you satisfied that in effect the demand for gold would be much diminished if that were done compared with the present demand, and the demand for silver increased?—I think so; I think that there would be a considerable substitution of silver for gold in the reserves, and possibly to some extent in the military hoards, but on that I should not be so confident.

24,088. But that is not a matter upon which you have much experience to go by, in the present state of the world especially?—As regards the hoards or the reserves?

24,089. The whole question, indeed?—As regards the reserves it would be certain, because in order to obtain the price which the mints would offer, there is no question that silver would be brought there.

24,090. Of course there would be the question whether the banks would be willing to deal with silver at all, and questions of that kind?—The people at the banks could not refuse to accept it, supposing that the agreement were entered into.

24,091. Still, questions of that kind would arise?—I fail to see how.

24,092. You mean to say that because the Governments enter into a certain agreement everybody would necessarily make their money arrangements accordingly. Is there not a subsequent stage in the matter?—I think the law of legal tender is everywhere operative within the countries.

24,093. But in the United States you have had two or three different moneys side by side working at the same time?—Never at a discount, so far as I know.

24,094. You have had inconvertible paper, and you have also had, to a certain extent, the use of gold?—Yes.

24,095. Going on at the same time?—They were both legal tender.

24,096. But it was not the legal tender; they were not at the same price at all?—Surely greenbacks were legal tender.

24,097. I speak of the period before 1878. There was a long period before that in which, alongside of the inconvertible paper, which was at a discount compared with gold, you had a very large use of gold in connexion with the imports and exports, and the payment of the debt—interest?—Yes, no doubt.

24,098. And you had also a use of gold in certain States where they would not have paper at all?—Still there was a use of legal tender necessarily.

24,099. The different legal tenders were used at different prices, it was not a uniform legal tender?—It was not a uniform legal tender? I do not quite follow the question.

24,100. I mean to say that 100 dollars in paper would only command 80 dollars in gold, or something of that kind?—As I understand it, paper was the legal tender and gold was not at that time.

24,101. Gold was legal tender, undoubtedly?—The Act had not been actually repealed.

24,102. Gold was legal tender, most undoubtedly? (*Mr. Chaplin.*) But what date was that?—During the greenback period.

24,103. (*Mr. Giffen.*) Gold was most undoubtedly legal tender?—There was nothing in the Legal Tender Act that was violated at that time that I am aware of, because the Legal Tender Act did not prescribe a given ratio between gold and greenbacks, therefore, there was no violation of the law of legal tender that I am aware of.

24,104. I am merely saying that as a matter of fact you had two different moneys in use; you had one dollar exchanged for so much with another dollar, but not at the full value. (*Mr. Chaplin.*) May I ask a question here for the sake of clearness; is this examination now to support the suggestion that the banks might refuse to take the silver? (*Mr. Giffen.*) Certainly?—That I should not admit in the least degree. That there might be two forms of legal tender is possible under the law of the country, but what I have been trying to put forward is, that provided the law of the country established a certain metal or a certain form of paper as legal tender that metal or paper would necessarily be current, to some extent at all events.

24,105. But it would not prevent two different kinds of legal tender pretending to be of the same value, and having the same expression on the face of them, from being accepted for each other, the one at a discount and the other at a premium?—"Pretending," but not necessarily under the Act.

24,106. I am asking you the question as to what the use of gold and silver is likely to be under this new arrangement which you propose, and I am suggesting that possibly they might not circulate at the value which a Government has put upon them, but that they might circulate at another value just as paper and gold circulate in the United States. What is to prevent that?—I have already said in my evidence that I have admitted the possibility of an agio upon one of the metals.

24,107. What is to prevent it?—The case you state is a case where the law of legal tender would be violated, because the law of legal tender would establish the ratio; but the law of legal tender did not establish a ratio, as I understand it, between greenbacks and gold; and if it had then I conceive the agio would not have existed.

24,108. The ratio was established by that expression on the face of the paper—the Government promise to pay so many dollars?—I think it was clearly understood that the paper was inconvertible, and, therefore, that promise had no effect.

24,109. But in the other case the one money would not be convertible into the other except at the pleasure of the people holding it?—No, there would be no necessary convertibility from the one money to the other; I admit that.

24,110. Then the same thing might happen between the metals that happened in the United States between the paper and the gold; what is to prevent it?—You would have to show that one or other of the metals was entirely driven out of circulation.

24,111. Not at all. I am giving you the case that both the paper and the gold were in circulation in the United States?—But not available?

24,112. Yes, available and constantly used?—You are assuming a case of a legal tender which was only legal tender within the given country.

24,113. Are both legal tender?—Yes, but one of those legal tenders was not available outside the country, and the demand for the other, the international legal tender, would be independent of the demand for the domestic legal tender. In the case I am assuming, I assume that we have an international legal tender between the different countries which would alter the situation altogether.

24,114. I am giving you the case that possibly the people might not accept the one just as freely as the other, and that that would have had the same effect upon the value?—That does not appear to be possible under a system of international legal tender. I cannot understand the use for which the metal would not be received.

24,115. But what is to prevent people making their own bargains about it?—That is possible, but I think it has to be shown yet that that has ever taken place.

24,116. Has it not always taken place, has there ever been a case in which gold and silver have circulated at a ratio fixed by the Government?—They have circulated within two or three per cent. of that ratio according to your own evidence.

24,117. That is not circulating at the ratio?—I have admitted that there might be a small agio.

24,118. If a small, why not a large?—I do not admit that for a moment.

24,119. What is the reason for the one if it does not apply to the other?—The reason of the agio under the French system of bi-metallism as I understand it, was this—that although gold and silver were equally legal tender within the French dominions, yet for certain purposes silver was wanted for export for India, which was not within the system, or gold for export to England; and on those occasions either of those metals might rise to a slight agio, generally speaking, in the shape of bar—it was generally bar that was required for those purposes, and for those purposes the bar would be at an agio, which, in extreme cases, went to the amount you mention, two or three per cent.—generally was very much less than that.

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24,120. Two per cent. is a very great agio, is it not? Yes, but why did that agio arise? Because there were certain countries of the first importance for commercial purposes, which were not then within the commercial system; under the proposed international bimetallism there would be no important countries lying outside the system and for export to which the metals would be required.

24,121. Is that so?—Yes.

Countries to be included in the bimetallic system.

24,122. Is China to be included in the system?—China is a silver-using country.

24,123. Is it to be included in the system?—Not necessarily; I think it would be outside the system probably.

24,124. Would you have all the small countries in the world included in the system?—I do not think it would be essential at all or important in any way; the demand would be so trifling that it would not have any considerable effect.

24,125. That is all you can say about the experience of the United States and other countries which have had two monies existing side by side?—I do not think the question of inconvertible paper is to the point at all, because we do not propose anything of the kind. That is all I wish to say on the other aspect of the question, the French agio.

24,126. I would be content to put some questions bye-and-by about the French agio, but I wish rather to get now what reason you had to believe that the demand for silver would be very much increased under your proposal and the demand for gold diminished. Now I propose to put to you some questions especially upon the point of the practicability of bimetallism, but before coming to that I would like to ask you one or two questions which bear upon it a little. You have made statements which seem to show that bimetallism had caused the steadiness of price between gold and silver in past times; I think that one of the statements was that when bimetallism existed, notwithstanding the great irregularity in the production of gold and silver yet the same relative price was maintained?—Yes.

Effect of bimetallism on prices.

24,127. Now do you think there is sufficient evidence, sufficient knowledge and experience of prices to enable you to say that it is a wonderful thing when there is irregularity of production that the relative prices are maintained. (*Mr. Chaplin.*) Do you mean the relative prices of the two metals. (*Mr. Giffen.*) Of any things?—I think certainly in the absence of any controlling circumstance we should expect a marked disturbanc of price.

24,128. Why? Have you examined that by experience?—I should think that it was a matter of common experience that price varies with the supply very much, although not wholly with the supply but partially with the demand.

24,129. If the supply varies with reference to the demand you may have cases of a great increase in the supply of an article and no change in the price?—If the demand increases in a corresponding degree.

24,130. You may have cases?—Certainly; that is the case of bimetallism and the bimetallic system.

24,131. And you may have cases of a great increase in the demand or in the consumption of an article?—Yes.

24,132. And even a fall in price?—It is possible that would arise; probably from the production upon a larger scale, and in a cheaper form, reducing the cost of production; it might arise in that way.

24,133. I mean that the amount of the production is not a thing to be considered by itself at all; that it should be considered with reference to all the circumstances?—I quite admit that, but I was only bringing that forward as a very common argument, constantly used in this way, that the present fall in the gold value of silver is due entirely to its excessive production.

24,134. I think also you said that in the past times an excessive production that might have produced a fall did not produce it owing to bimetallism?—It produced a corresponding demand at the same time.

24,135. That was the theory?—Yes, that was the theory.

24,136. It is quite possible that you might have had a great increase of production, and in the absence of any demand such as you indicate the demand might have arisen in some other way and the price might have been maintained?—It is quite possible.

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24,137. You do not dispute that?—Not at all. I think I would go so far as to say that to some extent it was the case at that time—at the time to which we are referring, that is 1850. There was an increased demand, no doubt, about that time for the use of gold.

24,138. Quite apart from the bimetallic arrangement?—Yes, I should admit that.

24,139. That is rather what I wish to get?—I have always admitted that.

24,140. That is sometimes overlooked?—It is sometimes.

24,141. And there are expressions, I think, in the report of the Royal Commission on Gold and Silver which seem to treat it as a very singular thing that, notwithstanding irregularities in the production of the gold and silver during the present century, the relative price was maintained?—Yes, I think they certainly should take into account any what may be called natural variation, perhaps, or customary variation in the demand for gold.

24,142. Then the maintenance of the price really was not quite so wonderful as they seem to think it?—Still, after all allowance for that, it was very sudden. Habits do not change suddenly, whereas the change in production was remarkably sudden, only covering three or four years.

24,143. It is quite possible in the history of the precious metals that you might have a great increase in the production of one metal coincident with a fall in the relative value of the other metal, which did not increase?—It is possible, if it were not too sudden, so that habits might accommodate themselves. Habits change slowly.

24,144. That is not a wonderful thing in the history of the precious metals is it?—I think it is altogether a question of the sharpness of the change made, the suddenness.

24,145. You have had a case lately of a great increase in the production of silver?—Yes.

24,146. Coupled with a fall in silver?—Yes.

Increased production of gold coupled with fall in silver.

24,147. Would you not be rather surprised to find in the history of the precious metals a great increase in the production of gold coupled with a fall in silver?—Coupled with a fall in silver?

24,148. Yes?—That is a new point. I should like to consider it for a moment.

24,149. Surprise has been expressed that the great increase in the production of gold after 1850 did not lead to a fall in gold, but that the price remained steady with silver: and it was assumed that it was the existence of the bimetallic ratio which maintained that state of things. Now, it is said that as soon as this link is removed, immediately you have a fall in silver coincident with the increase in the production of silver; but I find when I look back that there is one very striking case at least of a fall in the value of silver at the very time of a great increase in the production of gold, and at a time also when there were bimetallic ratios in existence. I refer to the fall in silver which took place between 1580 and 1680; you had a great increase then in the production of gold?—Yes, you had.

24,150. And a fall in the value of silver?—There is no doubt about the explanation of that, I believe.

24,151. As a matter of fact the gold increased in quantity, and although there were bimetallic ratios you had a fall in the value of silver?—You had a fall in the gold value of silver?

24,152. Yes?—The rating at that time was the other way. Silver was taken as the standard.

24,153. The ratio of that date was eleven to one?—It was 11·80 to 1 in 1580.

24,154. And in the course of the next 80 years or so it rose to 15 to 1?—Yes.

24,155. That is to say it was a fall in the value of silver?—I put it this way, that it was a rise in the value of gold.

24,156. At any rate there was a change in the relative value?—Yes.

24,157. But during the same period, according to Soetbeer's figures the weight of gold produced, in comparison with gold and silver altogether, rose from a per-centage of 1·7 to 2·7?—Yes.

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24,158. And notwithstanding that great increase in the relative production of gold you had a fall in the value of silver?—No doubt, but it was a gradual fall, extending over a long period and due to a change of habits undoubtedly. I have admitted that a change of habits might produce important effects taken over a long period, but I should doubt whether there could be a sudden change of habits in a few years.

24,159. Is that not a set-off to a case which has astonished so many people lately that they require the explanation of the bimetallic ratio to explain it, that you had a great increase in the production of gold, and no change in the relative value of gold and silver?—No. I have been trying to draw a distinction all through with regard to the suddenness of the change. I could not admit that within the three years 1849 to 1852 there had been any important alteration of European habits in regard to the use of the metals; but it is quite clear, as Soetbeer observes, that during the century to which you refer there was a very important change in habits and requirements, due mainly to the opening up of foreign trade, which up to that time had been practically non-existent on any large scale, and which caused a very great demand for gold which previously had not existed.

24,160. Was there not a great demand for gold after 1850 which previously had not existed?—I am not aware of any sudden change in the monetary circumstances which would cause a sudden preference for gold in relation to silver. I ought to point out another reason for that great rise in the value of gold. Prices were rising generally, but one effect of the rise of general prices is that you require to have a more valuable kind of money unit than you did before.

24,161. Still we have it that at one time the existence of bimetallic ratios is effective to keep the relative value of gold and silver what it was, and that at another time it is not effective?—No, not quite effective, the rise was very gradual however.

Effect of ratio in maintaining relative value of gold and silver.

24,162. Then it is not the ratio that makes it effective it is not the ratio that keeps the relative value?—The ratio has a very powerful controlling effect. We never had absolutely free mintage, it must be remembered, over that period except in England, and even there I understand it was under great restrictions.

24,163. In the 17th century?—1666 was the first opening of free mintage in this country—gratuitous mintage.

24,164. In that sense you had never free mintage in the world at all?—No.

24,165. There was always a seigniorage or mintage charged in France?—Quite so. I mean more than that; there was not a free movement of the metals during the period. There was not an adequate commercial dealing in the metals at the period to which you refer, and the movement of the metals was restricted.

24,166. Still there was a large amount of dealing?—There was some dealing, but it was dealing under very great difficulties, and under conditions which did not conduce to the working of a bimetallic system.

24,167. (*Mr. Chaplin.*) Do you mean to say that the bimetallic system as you have explained it to us could not fairly be said to have been in existence at that time?—Certainly some of the most important conditions of its free working were not in existence at that time.

24,168. (*Mr. Giffen.*) Were they in existence during the French period?—They were fairly in existence, except that that was only a domestic system.

24,169. You had a mint charge?—You had a mint charge, but that is not an objection.

Bimetallism and a mint charge.

24,170. So you have never had a bimetallic system in existence of the kind that is now proposed without a mint charge?—I am afraid in referring to the Act of 1666 I have really taken the argument off its proper lines. I do not object to a mint charge, and I can conceive of some reason for a mint charge under a bimetallic system, even such an improved system as is now contemplated.

24,171. Still what has been proposed is without a mint charge?—I think it has not been proposed to have a mint charge for bars, but it might be very convenient to have a mint charge for coin.

24,172. But it has been proposed that there should be no mint charge?—It has been proposed that there shall be no mint charge for bars.

24,173. For anything?—Personally I should be against that; I believe most things have been proposed, but I am not aware that there has been any general feeling or set of opinion on that point.

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24,174. Is that not what has been put about officially. I am not in possession of all the papers of the Bimetallic League?—Certainly not by the Bimetallic League; I can speak positively as to that.

24,175. By Mr. Cernuschi I think it has always been put forward that there has been really no mint charge?—I do not know. We really do not pay such minute attention to the opinions of M. Cernuschi as you seem to do.

24,176. It is not I that pay attention to them, but Mr. Everett told me he was the great founder of the bimetallic theory?—I am afraid that is not strictly accurate; he came in rather late—in 1876.

24,177. Then you do not agree with Mr. Everett?—Not on that particular point.

24,178. Then with regard to the ratio as it existed in France I understand that you do not deny that there may be an agio upon one metal or the other under the bimetallic system?—No.

Effect of an agio on the maintenance of the ratio.

24,179. And you do not see that if there is such an agio it is a contradiction in terms to say that the ratio is maintained when one of the metals is at a premium?—No, I rather adopt there the view of Baron Alphonse de Rothschild, that you have practically a monetary fixity of ratio within the legal tender area, and that it is only when you contemplate the movement of metal outside that area for some special reason into some mono-metallic country that the agio arises.

24,180. Is that so; can you have two prices in the same market? If there is an agio upon the metal for foreign purposes there must also be an agio for domestic purposes; you cannot have two prices at the same time?—There are no two prices for inland legal tender in France and never have been, I believe, nor would there be in the whole of the new bimetallic area. There would be only one price within that area. The ordinary payment would be made in cheques, and no one would know whether the cheque was a silver cheque or a gold cheque, and therefore the question of the two prices would not arise except when you take the precious metal itself in bullion for export, and then no doubt it would arise.

24,181. They do not usually pay by cheques in France, that has never been the rule?—I understand that in that country it is growing. They use 130 millions or more of notes, which practically play there the part that cheques play in England, to some extent.

24,182. Take any past time, is it not the case in France when you wished for 20-franc pieces in gold that you had to pay a premium for them in the period before 1850?—I have heard it stated most distinctly by Frenchmen who had lived through the period that that was not the case; that they never had the slightest difficulty in obtaining gold or silver for ordinary inland uses.

24,183. I have seen it distinctly stated by people who were in France at the time that they had to pay a premium, but, in any case, is it conceivable that if there is a premium of 2 per cent. on gold in bars, and you had gold coins of full weight beside them, you would be paying 2 per cent. for the gold in bars when you could take the coins and melt them down at a very small charge indeed?—The charge is not equivalent, I admit.

24,184. Therefore, if you find a premium of 2 per cent. for gold in bars, that implies that there was a premium upon full weighted gold coin in bars at the same time?—Of course you have introduced one qualification already—the full weighted coin—which would require selection; but I am not aware that there was ever such a premium charged upon ordinary dealings in France, or that it was ever stipulated that payments should be made in gold coin or in silver coin.

24,185. As a matter of fact, there was nothing but the minimum of gold coined in France for purposes that were indispensable?—It was a small quantity.

24,186. There was no general circulation of gold?—It was not very general, nor is it now, I believe. I believe the French prefer notes.

24,187. Can you say the ratio was maintained in France even when you had a premium of a half per cent. on gold, in what sense was it maintained?—I wish I

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had brought you the passage in which Baron Alphonse de Rothschild speaks of it. He was a man of experience living at the time, and he says distinctly that there was no alteration in the ratio for monetary purposes.

24,188. I am aware of a passage from another Rothschild who affirmed, about 1883, that silver was the money of France, and not gold?—He meant the *de facto* money in circulation.

24,189. The *de facto* money in circulation?—Yes, no doubt; but there was some gold also as a matter of fact.

24,190. There was some gold as a matter of fact, but that gold was used at a premium?—That is what I should not admit, for inland purposes.

24,191. You have just admitted that if it was at a premium for external purposes it must be at a premium for inland purposes as well?—I do not think it follows. There might be difficulties in getting the coin for export. For instance, in Germany there would be very great difficulties. There is a difficulty in getting gold for export in Germany in any form, and there might have been similar difficulties in France.

24,192. Would there not be similar difficulties for internal purposes? You do not tell a man your purpose when you buy gold in the market?—Do you deny the fact that that there is considerable difficulty in getting gold in Germany for export?

24,193. In Germany there is at this moment, and you cannot get it from the Bank of Germany without some difficulty, but I am speaking of dealings in the market; when you go and buy gold you do not go and tell a man whether you want it for external or internal use and he does not care to know?—You only get it in large quantities from large establishments, which put a certain amount of moral pressure upon the applicant and that might amount, perhaps, to a premium of one or two per cent.

24,194. Whatever the motive may be there is a difference in price?—Yes.

24,195. Whatever the motive may be there is a difference in price?—But I still should contend that there was no difference in quoted prices; that prices were not quoted in silver or gold at an agio between one or the other metal—that there was only one price.

24,196. If silver was the *de facto* money the price must have been quoted in the silver money?—It was not, I think, *de facto* in that sense, that there was not a considerable amount of gold in the bank; it was in practical circulation in the hands of the people no doubt, but there was a good deal of gold in France at that time.

24,197. You say it was a *de facto* money?—In 1841 there were 40,000,000 francs in the Bank reserve—you are speaking of the period before.

24,198. From 1820 to 1850?—In 1820 there were 51,000,000 francs of gold. That would be about 2,000,000*l.* in the Bank of France. On the whole, it was no doubt a small gold reserve.

24,199. But still, as a matter of fact, when people wanted gold they had to pay a premium for it whether it was one-half per cent., or one per cent., or one and a half per cent., sometimes two per cent. they had to pay premium for it?—No doubt.

24,200. That was not maintaining the ratio?—How do you explain the fact that there might have been an agio and was an agio on both gold and silver at the same time.

24,201. Was there a real agio on silver at the same time?—I quote it on Newmarch's authority.

24,202. I think that that would be a matter requiring great investigation, because when silver was at a normal premium that really meant that silver was at par; I think it required to be as high as seven per mille or something like that; that was the real par of silver and it was a nominal premium owing to the mode in which the quotation was expressed?—I am not prepared to go into that question now, but I took it really on the authority of Newmarch, who was pretty well aware of these charges, I think.

24,203. I think you may take it from me as a matter of certainty that the way the thing was expressed—the expression in the market was that the nominal premium on silver merely expresses the par of silver with the money at the time?—Of course it would be the same to some extent with gold on which a seigniorage was also charged.

24,204. The position was a little different between gold and silver, and the seigniorage on gold was very much smaller than the seigniorage on silver?—*Ad valorem*, yes.

24,205. So that it does not arise so much with the gold; in fact it was quite insignificant?—Well, of course I cannot quite assent to that without knowing more details.

24,206. Still assuming there is a real effective premium, say of ½ per cent., can you say when such a premium exists that the ratio is maintained?—It is certainly maintained in one sense, namely, that you can discharge all your debts at that ratio.

24,207. But the two metals are not of the same value as expressed in the Mint ratio?—The two metals are not, and I have always admitted that might be the case where the bimetallic area was very limited.

24,208. Nor the full-weighted coins of the two metals?—I should like evidence of that. I am not prepared to admit that without some evidence.

24,209. But still you are not prepared to affirm that the ratio was maintained in the strict and absolute sense of the word?—Certainly not as regards the market ratio on bullion, because there was a demand for one metal or the other for foreign purposes in countries outside the bimetallic area.

24,210. But then how can you maintain that the ratio is maintained; if the market price is really different, even by a fraction, the legal ratio ceases to be effective?—I cannot see that. It seems to me that the question of degree is most important.

24,211. In what way? Nobody would use the metal that is at the slightest premium in the ordinary transactions of life surely?—My argument has been all through that they did not use the metal. They either used coins or bank-notes.

24,212. But they do use the metal?—And I do not admit that the coins ever were at a premium, and the notes, of course, could not be at a premium.

24,213. You practically admitted that they were at a premium in admitting that nobody would pay 2½ per cent. on bars when they could get the coin without paying two per cent.?—I do not admit that they could get the coin; there may have been a difficulty.

24,214. Then the coin was at a still greater premium if they could not get it at all?—For export—I am speaking entirely of export.

24,215. But you cannot have two prices in the same market?—I cannot understand that.

24,216. You cannot have two prices in the same market?—It is possible to get gold in Germany for example without paying any agio, but it is very difficult to get gold for export. You might have to pay a considerable agio for that. There are two prices in the same market according to your way of putting it; but I take it that the purpose for which it is to be used is totally different in the two cases.

French premium on silver after 1850.

24,217. I do not think you can get an unlimited quantity of gold in Germany for export or for any purpose. Was there not a premium on silver in France again after 1850?—Yes, relatively to gold the ratio slightly rose. I wish to correct what I said in my answer just now. My knowledge of the ratios is entirely based on London prices, and I have no knowledge of French quotations, and on referring to your paper I do not find any indication of the source from which you got those French quotations.

24,218. I am sorry to say that there has been an oversight in that matter, but I should be very happy to give you the references to the Blue Books from which these tables are obtained?—I should require to go into that pretty closely before I know exactly what those French quotations mean. Meanwhile any answers that I give in regard to the so-called premiums on silver or gold would be based upon the London prices of those metals, the London ratio, and so far as I can understand the question the London ratio is sufficiently accounted for by the cost of the movement of the metal across the Channel.

24,219. You have not thought worth while yourself to obtain the prices of gold and silver in Paris all over that long period?—I have asked the question, and I have been told distinctly that there are no quotations.

24,220. In Paris?—In Paris. It is a strange thing that all the official tables have been based on London prices.

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24,221. I think that not only have you these prices that are in my book here, but since then I have obtained possession of quotations of the premium or discount respectively on gold and silver in France from 1820 down to a recent year?—Yes, but I am not prepared now to offer evidence on those.

24,222. There are some quotations you may be quite sure?—They would be prices of bullion presumably.

24,223. I am not sure that the prices of coin could be obtained, but I do not think from that point of view the difference is very material?—Would you go so far as to say there were two prices quoted during that period, in silver and in gold.

24,224. That the price was always quoted in silver in France, and all the quotations were really in silver, and that was the common understanding of the things in France. You cannot carry it any further?—I cannot carry it any further without examining the source of the quotations very closely.

Supersession of gold and silver by inconvertible paper in France.

24,225. I should like to put this further question to you with reference to the point that it was bimetallism in France which maintained the parity between gold and silver. Was it not the case that the effective bimetallism came to an end not in 1873 or 1874 but in 1870 when France became a country of inconvertible paper?—I am not aware that the French Mint was closed during that period.

24,226. It was practically closed during the war?—In what sense practically closed?

24,227. That there was no mint open?—Well that is not the official statement which Mr. Hucks Gibbs obtained. I was not aware of that.

24,228. Whether the mint was open or not both gold and silver were superseded for the time by inconvertible paper?—But the essence of the arrangement remained, the possibility always of getting that price at the French mint.

24,229. But you did not get the price at the mint?—Our information differs there.

24,230. You got gold back, and you got silver back, but you were not going to use these for ordinary monetary purposes when they were at a premium in the paper money of France?—Why not?

24,231. The paper money was at a discount, and everybody used the paper?—You would get the advantage of your premium if the premium exists in the market.

24,232. But as a matter of fact they used the paper?—As a matter of fact I think the effect of the free mintage still remained, that there was always that power of obtaining legal tender in return for your 15½ ounces of silver.

Period of inconvertible paper in the United States.

24,233. That would apply then to other cases, it would have applied to the United States during the war when they had inconvertible paper?—If their mint was open certainly.

24,234. The mints were open, but there was no coinage?—No, and the reason is very clear, because their mint was open at a ratio less favourable to silver than could be obtained at the French mint. It was at 16 to 1, roughly, whereas 15½ to 1 was paid in France, and the metal therefore was taken to France.

24,235. You did not obtain anything at all at the mint; you only got back your silver or gold as the case may be?—You obtained legal tender, which I must insist is a totally different thing to the metal which you bring, because it gives a power of acquitting debt and of purchasing goods quoted at the ordinary prices, domestic inland tender prices. That seems to me to be a very different thing to having an ounce of metal or a given quantity of metal.

24,236. But surely one or the other metal would have been taken freely to the United States Mint because that was always available?—I do not quite understand the point of the question. I do not see why metals should be taken there.

24,237. You suggest to me that people would have taken the gold and silver to the French Mint in 1870, and afterwards when France was a country of inconvertible paper, and then I ask if that would apply to the United States when the United States was a country of inconvertible paper?—I said the silver would be taken to France in preference, because it would receive a better price there than it would receive in the United States; and that appears to me clear; the gold would probably be taken by preference to England which was an open mint for gold.

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24,238. But would not gold have gone to the United States also, where there was a mint open?—I take it that the currency of the United States was inflated by the excessive issue of the greenbacks, therefore there could be no demand for money at all; on the contrary the tendency was the other way.

Supersession of gold and silver by inconvertible paper in France.

24,239. Was not the currency of France inflated by the issue of inconvertible paper to some extent?—I believe to the extent of possibly 1 per cent., but I think that was the extreme limit.

24,240. I think it went to 2 per cent. if I mistake not?—I am not quite positive, my impression was 1 per cent.

24,241. I speak from my recollection of the time, that at one time there was a quotation certainly of 18 per mille?—Yes, it may be so.

24,242. And you still think the mint ratio would have some effectiveness, although there was no demand for gold or silver in France by that hypothesis?—I dare say it might have shaken confidence to some extent in the price of silver; but still the ratio of 15½ was the established ratio all over Europe and was practically regarded I think as effective at that time.

24,243. But it was not effective, you could not have both gold and silver going freely to the mints under such a condition?—I understand that it was taken to the mints during those years. I should like just to be quite sure of that. I am afraid the table I have here stops in 1869, which is just too early for that purpose, I am not aware that there was a year in which both gold and silver were not coined at the French Mint. That is my recollection.

24,244. I am merely saying that they could not be going into use as money with paper at a discount in competition with them, that it was not an effective mint for that purpose?—I find that a million and three-quarters of five-franc silver pieces were coined in the year 1870, and nearly a million in the year 1871.

24,245. In 1871 you say there was a fall?—There was a great decline.

24,246. What was it in 1872?—77,000 in 1872 and then it rose to 31 millions.

24,247. In 1873?—Yes.

24,248. That was when the price of silver fell even to a greater discount or was beginning to fall to a greater discount than the paper, was that not the case?—It fell more than one or two per cent.

24,249. Exactly somewhat like what happened with Austria in 1879, when they stopped the coinage of silver because they found the silver was becoming of less value than the paper?—Yes, quite so.

24,250. Still, if the parity between silver and gold continued for two or three years when France was in that condition, you can hardly say it was a bimetallic tie which was keeping them together at that time—there was not an effective mint in that sense?—Silver was being coined in various parts of Europe at the ratio of 15½ to one over that period; the whole of Europe was not using inconvertible paper. There must have been a considerable demand for silver at that rate during the inconvertible paper period.

24,251. Europe was inconvertible paper then, was it not?—All over Europe?

24,252. I think excepting France itself and possibly in Belgium and Switzerland there could be no coinage of silver at any ratio at that time?—I am not prepared to say positively; you may be right. I am not quite sure.

24,253. In the United States there was inconvertible paper and there was really no bimetallic tie at that time to support the relative value of gold and silver?—You cannot say, I think, that there was no bimetallic tie in face of the coinages I have mentioned.

24,254. Still it was a very different state of things?—There was never any time when the coinage was suspended.

24,255. Was the mint being freely open and the business going on as usual?—Not in its full vigour certainly. I think it did produce some slight effect on the value of silver.

24,256. You think that the fall of silver began about 1870?—I should not put it so early as that, but it was

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shaky at the beginning of 1873 before the mint was closed, before the restrictions on mintage began.

24,257. Then you do not quite agree with Mr. Hucks Gibbs ——?—Yes I do.

24,258. Who tries to show that it was not until 1873 that the thing began to go ——?—Pardon me, he says it went a little, but not more than it had frequently gone in previous periods. I think I can read you his words. He admits a slight fall. "The restrictions were "imposed in September; how then came it to pass that "the fall below exchange point began in August, and "that on the 8th of that month the price was a few "hundredths lower than the exchange would warrant. "This fall was insignificant," and so on. "Coming events cast their shadows before"; that is his explanation.

24,259. That is something like what I have said—that it was the apprehended fall in the value of the silver which caused the measure of 1873 and 1874?—The exact opposite, pardon me. "Coming events cast their shadows before," and there were rumours in abundance of the intended action of the French Government.

24,260. I am speaking of my own recollection of what Mr. Hucks Gibbs writes?—I am only concerned to state accurately what Mr. Hucks Gibbs gives as the explanation—that there was a certain vague apprehension as to the closing of the mints before they were closed.

24,261. Still the stoppage of the bimetallic tie in 1870 did not produce all at once the effects which the stoppage in 1873 and 1874 did?—I cannot admit the stoppage of the bimetallic tie in 1870; I am afraid I must object to that expression. I admit that there was not such a vigorous coinage during those years, but still there was coinage always and that shows that the ratio was maintained, because nobody would have taken the silver to the mint to coin it if he could have got a better value outside.

24,262. Still as a matter of fact there could have been very little of the bimetallic tie left after 1870?—I do not understand the suggestion "Very little of the tie left."

24,263. In comparison with the whole movement of silver production and consumption and all the other things that were in operation, there was going on in Paris very little compensatory effect?—I put it in this way: the actual purchases were small, but as the mint was open to purchase at a particular rate, that rate was maintained on the whole. The question of the quantity purchased is not important as long as the sellers are aware that the buyer is open to purchase unlimited quantities.

24,264. You must not only have the mint open, as I understand, but a condition of things in which the gold and silver could really be used as an ordinary legal tender; the case in France was that it was the paper that was really used?—But surely the silver was never refused.

24,265. Yes, but nobody would pay in silver when you could get paper at a discount with which to pay?—He might have his silver minted in order to buy his paper at a discount, but the mintage of silver would still go on.

24,266. Still it was not so freely a legal tender because you had another legal tender that was practically cheaper?—That may be, but still I apprehend that the mint was always open; there was always a buyer in the market to pay that price for silver, and naturally the value would be maintained.

24,267. The mint was not a buyer in the market?—Perhaps the expression is not quite a very good descriptive expression, but it is practically and substantially true that the mint is always open to take the silver and give you that price in legal tender.

24,268. Because it gives you back what you give it?—In my opinion it gives you a very different thing—it gives you back legal tender at a given price.

Legal tender.

24,269. Legal tender simply means that when you have made a contract in money you must fulfil it, it does not mean anything more?—That appears to me quite enough; it is a very important point; it gives you the power of acquitting a contract.

24,270. That is to say, if I agree to pay a man 20 sovereigns the law says I must give him 20 sovereigns; that is the law of legal tender, nothing more, as I understand?—That is not at all my view of the law; that is the common law of England. If you agree to give a man 20 packs of wool you must pay the packs of wool, but that is not under the law of legal tender. I take it that the law of legal tender is that if you contract to give a man legal money of the realm you are obliged to make payment in certain prescribed forms, namely, either in Bank of England notes in England, or in gold to an unlimited extent, or in silver to a limited extent.

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24,271. That is to say you must fulfil your contract when you have made it?—Every bargain is taken to be made in that way in the absence of any express stipulation to the contrary.

24,272. The bargain is made as the case may be either in gold or in silver, or whatever the contract may be in; in this country the bargain is made in gold, is it not?—As far as the legal tender law goes, a bargain may be made in any way you please in this country, in any commodity you please, but a monetary bargain is taken to be only acquitted by a payment in the legal tender I have described—either in gold or in bank notes.

24,273. For convenience sake the law says if you make a bargain in money it means so and so?—Yes.

Practicability of bimetallism.

24,274. Coming to the question of some things you said about the practicability of bimetallism, I should like to ask you with reference to that opinion of the Royal Commission on Gold and Silver which you quoted, how far they took evidence upon the subject of the practicability—if they went into the questions we have been discussing now at all?—I think, perhaps, one of the Commissioners, Mr. Chaplin, might be better able to answer that question; I do not remember the question of the agio being raised, but I could not speak quite positively.

24,275. With reference to the authority of the Commission, again I would like to ask you if it is of much value when you consider that you had no expert monometallist at all upon it?—I understood that expert monometallists had been invited to join the Commission.

24,276. As a matter of fact were there any monometallists upon it acquainted with the subject from the monometallist's point of view—as Sir Louis Mallet and Sir David Barbour were acquainted with it upon the other side?—I should not like to pronounce a judgment upon the ability of the various members of the Commission, but I think it was generally understood that there were six gentlemen there who were fully qualified to represent the monometallic point of view.

24,277. It came out afterwards that Mr. Courtney who was supposed to be one of the six gentlemen, was not a monometallist at all?—At that time he was.

24,278. I do not think so; in point of theory he was not an adherent of the English monetary system, and he did not agree to the proposition that you could not have a double standard?—No, but that is a mere matter as I take it of economic theory; he was an economist.

24,279. He was not an adherent of the theory upon which the English monetary system was founded?—No, Mr. Leonard Courtney held the usual economic theory on that matter. He held the opinion which, as far as I know, is held by all instructed economists as to the theory of the double standard.

Introduction of gold standard in England in 1816.

24,280. Have you read the debate upon the introduction of the gold standard formerly in England in 1816?—No, I have not. I have read certain extracts from it, but not the whole debate.

24,281. Was it not affirmed then unanimously that there ought only to be the single standard?—I think it absurd—perhaps the expression is rather strong—but I should never think of going there to ascertain what is the true theory, the correct scientific theory of money. Most of those gentlemen who spoke in that debate were less expert on the subject than the gentlemen on the Royal Commission.

24,282. That was agreed to unanimously in Parliament, and no objection was raised?—Upon that point I should think that when they spoke of a single standard they were not speaking of what is now known as a single standard. Quite the contrary. Locke, for example, speaks strongly of a single standard, by which he meant that the silver coin was to be the unit coin and the point from which all measurements and valuations were made; but he never contemplated a disuse of gold. On the contrary, he says again and again that gold was to be rated to the silver coin.

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24,283. That gold should be used at the market value?—Not necessarily at the market value; at a rate fixed.

24,284. I think that is what he suggests?—The rate was to accommodate itself to the market value, and it was to be fixed by the Government.

24,285. To accommodate itself to the market value was his idea?—The idea of disusing one of the metals which was then current (which I suppose is the modern monometallism) would have never occurred to these men.

24,286. I do not think, as far as I have heard, that the monometallic view is that only one metal should be used at all; the monometallic view is that only one metal should be used as a standard metal?—I should like to know how you are going to provide for the use of the other metal without any link between the two.

24,287. By using it as token money?—Yes, but I am not speaking of token money. I thought we were merely discussing the question of legal tender money now; that is an additional complication which you might bring in.

24,288. You said monometallists proposed the disuse of one metal?—I meant as legal tender money; I think we might leave out the question of token money.

24,289. Token money is legal tender money up to a point?—Up to a point.

24,290. And in some parts of the British Empire, I believe, token money is unlimited legal tender?—I do not for the moment remember a place where it is.

24,291. In any case, the debate of 1816 showed that opinion was unanimous at that time that you could only have one standard money?—I doubt that very much. For instance, Mr. Alexander Baring was very strong against the proposal to adopt the gold standard, and he made a very admirable suggestion of a bimetallic system to which I have already referred.

24,292. In my examination of Mr. Everett I read a passage from the debate at that time, which is in the notes, and I do not wish to read it again, but that seemed to show conclusively that the unanimous opinion at that time, including the opinion of Ricardo and other people, was that you could only have one standard, and it was upon that footing that the measure of 1816 was proposed?—There was no doubt a general feeling in favour of one standard, but I have already said that debate was carried on solely from the point of view of the coinage and of the difficulties which arose occasionally in the exchange of coins, but that general questions of valuation were never raised.

24,293. You are not acquainted with the debate?—I am not thoroughly acquainted with that debate; I am better acquainted with what took place in the Committee on the resumption. I could not admit for a moment that we are to go to a debate in the House to find what is the expert view upon any given question.

24,294. I am not putting it as an expert view; I am putting it as a representation of the unanimous view of English economists made in a public manner and without anybody contradicting the statement?—Of course if you go far enough back in history you can get the unanimous opinion of economists for almost anything.

24,295. Still I am speaking of this as the foundation of the English monetary system and I was pointing out that Mr. Leonard Courtney, who was supposed to be a monometallist, was not an adherent of the English monetary system, because he had discarded a fundamental proposition upon which it is based?—He followed in that respect the opinion of all economists of the present day, and I presume the economists of that day would have done the same. Whatever views they might have held, as to whether it was desirable we should have gold or not, they would not have denied a point of theory which appears to be self evident almost.

Opinion of members of Gold and Silver Commission as to practicability of maintaining the ratio.

24,296. I think I had better read a part of the passage?—I should have pointed to the presence of Mr. Birch, who is certainly an authority in the sense that he is very familiar with the practical and business aspect of the question.

24,297. But not familiar with the literature probably?—Yes, very familiar with the literature too, as I know of my own personal knowledge, having spent two or three days in his house discussing the views of economists upon various monetary questions.

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24,298. At that time?—During the time the Commission was sitting.

24,299. I should have thought not. Mr. Birch was a very good man in business and very well informed generally but had not got up this subject specially as Sir David Barbour, for instance, had?—I do not know that he had quite so thoroughly got to the bottom of the subject as Sir David Barbour, but he had read the literature very widely—to that I can testify from my own personal knowledge.

24,300. Mr. Birch does not agree with the opinion which has been reported?—He signed the general report.

24,301. He dissented from a part of it?—To some extent.

24,302. I mean as to the maintenance of the ratio?—We discussed yesterday I think the exact nature of the qualification. It was slight, in my opinion; it was a matter of time whether it would be temporary or permanent.

24,303. In what sense do you think the Commission were of opinion that the maintenance of the ratio was practicable—not any ratio, but a ratio like the market ratio at the time?—I think that their opinion was founded partly, perhaps mainly, upon historical considerations and partly upon theoretical considerations.

24,304. That would not justify any idea of going back to 15½ to one?—I do not think that was suggested by them; it certainly has not been suggested by the body to which you referred, the Bimetallic League.

24,305. Do you think it would have satisfied them that the ratio was maintained when a premium upon one metal or the other would have existed?—They were aware that an agio might exist upon one metal or the other. I think that was brought forward in evidence more than once.

24,306. Surely that ought to have been explained in expressing the opinion that the ratio would be maintained and yet that it would not be maintained?—It might perhaps have been stated a little more fully; the clause to which you refer might have been a little more full upon that point; but Mr. Hucks Gibbs has often admitted the possibility of an agio, and has always claimed that it did not in any way interfere with the ordinary working of a bimetallic system. His argument has always been that the agio could not be great, because no one would go much out of his way in the selection of a metal.

24,307. I have read a great deal of what Mr. Hucks Gibbs has written, but I have never been able to see any foundation for the statement that the agio might not be great. It seems to me that if it may be one per cent. it might be 10; he never explains why it may be one and may not be 10?—His argument is this, I think: that it is difficult to conceive of a man insisting on the option of a metal, when either metal is good legal tender, to such an extent as to pay more than a trifling premium for it.

24,308. But if he could hand it over to somebody else getting it at 9 per cent. premium and he knew where he could get 10 per cent. for it, why should not he?—Yes, but who is going to give 10 per cent. premium for one metal when either metal is equally available for monetary purposes.

24,309. There is always the use of the metals for the Arts, for hoarding and for other purposes—not monetary uses at all?—That is very possible.

24,310. They are very large uses?—Yes; if you conceive it possible that the whole of the gold might be abstracted from circulation for these purposes.

24,311. It need not be abstracted from circulation, it might all go to the common price; a certain amount is used in circulation?—Yes, but it is not absolutely necessary.

24,312. Useful?—Yes, useful.

Views of foreign economists as to maintenance of ratio.

24,313. Then I gather from what you state that you do not agree with M. Cernuschi that nothing is to be thought of except the ratio of 15½ to 1?—Personally, I often find myself differing from M. Cernuschi.

24,314. And yet he has been the great author of the bimetallic agitation?—Certainly not. We are accustomed to regard M. Wolowski and Mr. Dana Horton as perhaps the two most important contributors to the

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theory and general basis of the bimetallic movement historically and theoretically. M. Cernuschi was important but, I think, Wolowski was more important. I am not accustomed to hear M. Cernuschi placed in such a dominant position.

24,315. You deny altogether the position which he claims for himself and which is so generally acknowledged, that Mr. Everett here put forward M. Cernuschi as the great authority on bimetallism?—M. Cernuschi has devoted his life to agitating the question, and I think it is a matter of common experience that agitators are not always the most intimately acquainted with the ins and outs of the movements of which, perhaps, they are the most effective promoters.

24,316. In fact, like other people, you are not all agreed amongst yourselves?—I think, as you say, like other people we have our differences of opinion.

Views as to the ratio to be adopted.

24,317. Then what ratio would you suggest yourself; I think in these notes you suggest 20 to 1?—If that question is to be raised—it is not a question I should have raised myself because I do not attach very much importance to my own opinion—I admit that the settlement must be based on estimates which are difficult and in regard to which I should like to have some more statistical information and a little more light; but so far as I have been able to form an opinion, putting it forward merely as my personal opinion, I have come to the conclusion that something like 1 to 20 would probably be ultimately the best ratio.

24,318. On what sort of information do you proceed in calculating your ratio?—First of all there is a distinction I should like to make; you might proceed to calculate what would ultimately be the best ratio from this point of view:—which ratio would ultimately give the greatest stability of price, supposing it to be permanently established. You might, for instance, come to the conclusion that 1 to 20 was that ratio. But then another question arises. You have to consider the situation from which you start, which may be perhaps 1 to 34, and the question arises of the transition from what is the present market ratio to what might be in the abstract the best. There are two questions in fact and I certainly am not prepared to say that we should instantly adopt a new market ratio by going from 1 to 34 down to 1 to 20; but I think if we could pass by reasonable transition measures to a fixed ratio, the best fixed ratio would probably be somewhere about the proportion of 1 to 20.

24,319. I do not quite gather your reasons for fixing that 1 to 20?—We should have to take account of a great many things. We have to take account, first of the extent of the bimetallic area, the number of nations which are likely to come in, and the number of nations which are likely to stay outside that area, and from that we should form some estimate of the probable influences which might tend to disturb the value of the metal within the bimetallic area.

24,320. How can you form any estimate; what I am asking is, what are the precise data that would guide you?—The data as to the export to the East are pretty well known. We have them all from time to time accurately given.

24,321. Would the East not be within the bimetallic area?—I think probably not; I should think certainly not as regards the far East.

24,322. Not India?—I do not see the advantage of including India; the public mind is now filled with the apprehension that silver is going to fall.

24,323. I thought the Indian Government had been the great agitators for bimetallism?—Not necessarily for India. The point of view from which they advocate bimetallism is that they wish to see the use of silver restored in Europe.

24,324. They wish other people to be bimetallic and not themselves?—I think the situation is perfectly clear. If you adopted bimetallism in India you would not increase the use of silver because silver is used there now absolutely. Nothing but silver is used there now. What you would do would be to open out the possibilities of a concurrent use of gold in India, and that would not tend to solve the silver question. It is not required from that point of view.

24,325. I thought what you wished to arrive at was a ratio that would leave the use of the metals indifferent so that the natural distribution would go on quite properly at the ratio?—Yes, I think that.

24,326. Therefore India might be within it?—India might be within it, but then I look at it from rather what may be called in a sense the political point of view. People's minds are full of a fear that silver is going to fall. They want to see a new use provided for it, they do not want to see a new use provided for gold.

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24,327. You cannot give us any further indication what the ratio ought to be and what principles should guide you in selecting your ratio?—I think the most important principle of all is that that ratio should be selected which upon the whole is most likely to give you a stable supply of monetary metal, a stable level of prices.

24,328. How can you know what ratio is most likely to do that?—It is of course quite clear that the higher the ratio you choose, the more favourable to silver, and the larger will be the supply of the monetary metal. I think that is perfectly clear.

24,329. Then the ratio of one to one would be the best?—The ratio of one to one would be the best, why?

24,330. Because that would put the highest value upon silver. If you make one ounce of silver equal to one ounce of gold, that puts the highest possible value you can upon silver?—Surely you would have too great an inflation of prices.

24,331. I do not think you would?—Professor Marshall, whose opinion on this matter has been carefully formed, I believe, thinks that even 1 to 25 would give you an inflation of prices.

24,332. (*Chairman.*) As I understand you, you think that the ratio to be adopted is that which is most likely to result in stable prices?—Yes, looking at the thing broadly. Of course in speaking about the establishment of a ratio you would have to consider the historical situation and the circumstances of the different countries, and that would introduce considerations to which, from the theoretical point of view, I, of course, do not allude.

24,333. (*Mr. Giffen.*) I am afraid I find your language a little vague if I may say so; I should like to know more definitely what you mean?—I allude to the fact that you have coins in circulation at the ratio of 15½ to 1.

24,334. And that points to its being no use of attempting anything but the ratio of 15½ to 1?—To me it seems a perfectly indifferent consideration, but it does not appear so to everyone, It appears a matter of indifference to me, because according to the views which I think are very current now in bimetallic circles, the bimetallic mintage would mainly be a mintage consisting of a return of paper or certificates for bars, and the old coinages might remain, as they are now, in use at a nominal value above the intrinsic value of the metal contained in them. Therefore you need not disturb the coins.

24,335. You do not know very well what would happen?—Yes, we do, I think, as far as this point is concerned.

24,336. I wish you would tell us in your own judgment what ratio you would prefer and for what precise reasons, then I think we should have something to discuss?—I think I have told you that the ratio I should personally prefer would be 1 to 20.

24,337. For what reasons—why not 1 in 19?—As to that, the thing is not susceptible of very precise determination. It is of course rather a choice of 1 to 20 and 1 to 25 or something of that kind, something about that point. There is an obvious reason for selecting a round number.

Effect of ratio of 10 to 1.

24,338. Why not 1 in 10?—I entirely agree with Professor Marshall that if such a ratio were chosen you would have an inflation of prices which would be intolerable, and which would be a greater evil perhaps than the fall of prices we are trying to correct.

24,339. Would it not be the case that you would simply have silver prices all over the world; do you consider it would not?—It does not make much difference, I think, but you would have inflation.

24,340. You have no inflation now in India but silver prices as I understand are pretty much what they were 20 years ago, and there is no inflation?—No, but there is a slight depreciation of silver beginning now I think.

24,341. Why should there be inflation when you go over to silver altogether?—The production of silver is not now very excessive because the ratio prevailing

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between silver and gold in which the profits of most silver mines are estimated is 1 to 34, or 1 to 33 as the case may be, but if you were to raise that ratio to 1 to 10 you would enormously increase the profits of silver mining, and therefore enormously increase the production of silver, and you would have in my opinion an inflation of prices.

24,342. That is to say if you could raise the effective price of silver?—Yes.

24,343. But if you only substituted silver as the standard money of the world everywhere and there was no greater demand for silver and no less demand all the prices would become silver prices?—That would be so, but I can hardly conceive the displacement of the whole of the gold in circulation.

Effect of ratio of 20 to 1.

24,344. Then suppose you had the ratio of 20 to 1 would the immediate effect be to depress prices in silver and raise them in gold or *vice versâ*; what would it be?—To depress prices in silver. I think the silver valuations would move very slowly because they are so dependent on custom. They have shown themselves singularly refractory.

24,345. Then the immediate effect would be to diminish the purchasing power of gold very greatly as compared with what it is now?—I think it would bring about a diminution in the purchasing power of gold.

24,346. Would it not be immediate?—I think it might perhaps begin a little before the actual change took place, and that is one of the very reasons why I am not proposing to make any change suddenly.

24,347. The effect would be then to diminish enormously the purchasing power of gold?—Not enormously.

24,348. Surely if you alter gold in relation to silver, if you alter the relation from 33 to 1 to 20 to 1, and silver prices do not change, then the purchasing power of gold must be changed enormously, not only in reference to silver, but in reference to everything else?—I do not follow that argument quite. Would you state it again a little slowly?

24,349. If you alter the relation between silver and gold from 33 to 1 to 20 to 1, and silver prices and other commodities do not rise?—When I say silver prices I mean prices in silver countries—it is not quite the same thing.

24,350. Surely the prices in the one country would be the same as in the other in silver?—Only in regard to those articles that were in commerce between the two.

24,351. What would be the effect as regards prices generally of altering the relation from 33 to 1 to 20 to 1?—I think there would undoubtedly be a rise in prices. As to the amount of the rise, that is rather in dispute; there are some who think the amount would be excessive and therefore choose 25 to 1.

24,352. Therefore you would lower the value of silver very much as counted by commodities?—No, because you would raise it very much in reference to gold. I think on the whole you would raise the value of silver in commodities considerably.

24,353. You would raise it in reference to gold?—You would raise it in reference to gold, and you would lower the value of gold slightly at the same time and by the same operation; and the net effect of that would probably be considerably to raise the value of silver measured in commodities.

24,354. Surely if prices rise in silver, that means a reduction of the purchasing power of silver?—Yes, it does.

24,355. And that is what you anticipate, then—a reduction in the purchasing power of silver?—No. Did I say prices rose in silver? I say the value of silver rises; that is a totally different thing—the exact opposite.

24,356. Then prices would fall in silver?—Prices would fall in silver slightly.

24,357–69. That is to say you would have prices lower than they are now?—I should like to consider that matter a little further, and if you have no objection I propose to put in a memorandum on the subject.

(*The witness subsequently handed in the following memorandum*):—

1. *Immediate Effects.*

The gold-price of silver in the open market in the vicinity of the bi-metallic mints would rise to the point corresponding to this ratio:—
viz.: 47·15*d.* per oz. (Mint price) or 47·074*d.* (Bank price).

There would be a corresponding rise in the pars of exchange with silver-using countries.

Assuming that the Indian mints were simultaneously re-opened to the free mintage of silver, the new par of exchange with the rupee would be 1*s.* 6*d.*·834, or nearly 1*s.* 7*d.* the rupee.

2. *Effects on General Prices in Western Countries.*

The increased mintage of full legal tender silver money, together with the increased effectiveness given to existing silver reserves by the re-establishment of silver, and the confidence restored to trade, would increase the volume of money, expand credit, and cause a rise of general prices.

A further increase of the world's money might be expected from the stimulus given to silver production by the rise in the gold-value of silver.

Per contra, the production of gold might slightly diminish, owing to the rise in general prices.

And though silver would have an increased gold-value, yet, as the value of gold in terms of commodities would fall, the value of silver in terms of commodities need not rise very considerably, in which case its production need not greatly increase.

The rise of general prices referred to above would be gradually checked by the expansion of trade, and the increased development of new countries which would result from the change.

Compare the effects which followed in consequence of the gold discoveries in 1848–50, and which falsified the predictions of Chevalier and others as to the probability of an extreme rise of prices.

Upon the whole we should be justified in expecting a considerable rise of general prices, and it seems at least absolutely certain that the fall now in progress would be arrested.

There are some who anticipate that a ratio of 20 to 1 would cause an injurious rise of prices. There are others who say that no increase of money would result from admitting silver to free mintage.

The view I have above expressed lies between these two extreme opinions.

3. *Effect on the Eastern Silver Valuations.*

The question now arises what would be the effect on general prices in the silver-using countries of the East?

The inertia of the Eastern valuations, sometimes described, in the case of India, as "the perversity of the rupee," is well known; and there are some who say that, just as there was no substantial rise in Indian prices up to the year 1893, though the ratio had fallen from 15½ to 1 to 24 to 1, so there would be no substantial fall in Indian prices if the ratio were to rise from 32 to 1 to 20 to 1.

Upon this I would remark that up to 1893, though the *gold-value* of silver altered in a very remarkable degree, there was no appreciable change in the *real value* of silver in Europe, and it was therefore natural that silver prices in India should remain undisturbed. But in 1893–4, when there was a further fall in India in the ratio, from 24 to 1 down to 34 to 1, the real value of silver in Europe fell for the first time, and there appears to have been a certain, though not a corresponding change, in Indian general prices, which have slightly risen.

This would seem to show that we may expect *some* movement of Indian prices when the *real value* of silver is altered, even if we do not get an *equivalent* movement.

Now there would, upon the whole, be a rise in the real value of silver if a ratio of 20 to 1 were established. Gold would fall in value to some extent, but the gold-value of silver would rise in greater degree, so that on balance the real value of silver would rise.

I should, therefore, expect a slight *fall* in general Indian prices, together with a greater *rise* in general prices in what were formerly gold-standard countries.

The two valuations would tend to meet one another; but the Oriental valuation, which has always shown the greatest inertia, would not come half way.

4. *Prices of Staple Commodities in the Trade with Silver Countries.*

Hitherto I have been speaking of the general scale of prices, alike in East and West.

I come now to the special case of those commodities whose supply is the subject of active competition between the two regions, such as wheat and yarns.

In the case of such commodities the movements and adjustments of price, though the same in nature and direction, would be of greater magnitude, just in the same way as their prices were more strongly disturbed

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when the ratio was falling from 15½ to 1 down to its present level.

In other words, I should expect that just as the gold-prices of wheat and yarns were exceptionally depressed during the fall of the ratio, so they would show an exceptional recovery when the ratio rose.

5. Inconvertible Paper Countries.

It only remains to consider the probable effect on prices in those countries which are now using inconvertible and generally much depreciated paper currencies.

The gold premium in such countries would, I think, tend to fall, for two reasons:—

The intensity of the scramble for gold would be lessened, and prices in what were formerly gold-standard countries would rise.

While then the gold price of exports from such inconvertible paper countries would rise, the paper price would fall.

It seems very probable that some of these countries, finding silver restored to its former position of equality with gold, and therefore perfectly effective as standard money, would gradually contract their paper issues, and finally resume cash payments upon a silver or a bi-metallic standard. Such a result is very much to be desired, and would be of the greatest advantage to the trade of the world, and to the trade of this country especially.

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6. The Transition.

In answering this question I have confined myself to the consideration of the results which might be expected to follow if a ratio of 20 to 1 were actually established.

I have not considered how the transition from the present market ratio of something like 33 to 1 to a ratio of 20 to 1 might be most conveniently effected.

I think it right, however, to add that I should personally be adverse to any *sudden* transition of this magnitude. As at present advised, I should prefer a *gradual* transition, such as might be secured by the adoption of the expedient commonly described as "the climbing ratio."

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The witness withdrew.

Adjourned to Thursday next at 12 o'clock.

For Professor Foxwell's further examination, *see* page 425.

Forty-sixth Day.

Thursday, 21st June 1894.

PRESENT:

The RIGHT HON. GEORGE JOHN SHAW-LEFEVRE, M.P., IN THE CHAIR.

Viscount COBHAM.
The Right Hon. Baron RENDEL.
The Right Hon. HENRY CHAPLIN, M.P.
Sir ROBERT NIGEL FITZHARDINGE KINGSCOTE, K.C.B.
ROBERT GIFFEN, Esq., C.B.
CHARLES ISAAC ELTON, Esq., Q.C.
Captain OWEN THOMAS.
FRANCIS ALLSTON CHANNING, Esq., M.P.
JOHN CLAY, Esq.
ROBERT LACEY EVERETT, Esq., M.P.
JOHN GILMOUR, Esq.
GEORGE LAMBERT, Esq., M.P.

HERBERT LYON, Esq., *Secretary.*
R. F. CRAWFORD, Esq., *Assistant Secretary.*

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Mr. ANDREW HUTCHESON called and examined.

24,370. (*Lord Rendel.*) You are Vice-chairman of the Perth County Council, I believe?—Yes.

24,371. And tenant farmer at Beechwood, in Perthshire?—I live at Beechwood. I have two farms in Carse of Gowrie and one in Strathmore. I do not live on any of them.

24,372. Are your farms of considerable area?—About 900 acres.

24,373. Together?—Yes, altogether.

24,374. Of what character?—Two of them very stiff clay under Lord Kinnaird, in Carse of Gowrie, one a mixed arable farm on Lord Wharncliffe's estate, Forfarshire.

24,375. Are you near to Perth itself?—10 miles from it.

Rents.

24,376. Have you any opinion you desire to express to the Committee on the subject of rents?—From the farmers' point of view?

24,377. From the farmers' point of view?—Of course, in regard to the depression that is a very essential point. A fair rent, of course, is the main thing to some of these. If some of the farmers had been rent free I do not think it would have put them in a very independent position; but in the meantime, speaking for the present, in Scotland there is rather certainly more demand for land than there was five or six years ago when prices were perhaps 50 per cent. higher than they are to-day, for what reason I cannot very well explain, but that is the fact. There is rather more competition for land at present than there was. We have no derelict farms in Scotland; there is no difficulty just now in getting fair tenants to bid for land.

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24,378. (*Chairman.*) Have the rents been reduced?—Yes; they vary considerably.

Reduction of rents.

24,379. What has been the average reduction?—Speaking roughly, I would say, in Carse of Gowrie, that the rents have been reduced 50 per cent. on strong clay land.

24,380. As much as that?—On strong lands; on the average black land I would think, perhaps, 25 per cent. I mean, when I say 50 per cent., on lands that are principally wheat and bean-growing soils.

24,381. You say there are plenty of offers now for land?—I do not say there are plenty, but factors and proprietors have a good choice of good tenants at a reduced rent—much more so than they had five or six years ago.

Tenants' capital.

24,382. Men with sufficient capital?—In some cases—that is one drawback, I think. Proprietors have sometimes been in the habit of taking large rents from non-practical men, and that exists to a certain extent yet, though not so much as it did some years ago; but a great many farmers enter on land with too little capital. We consider that on all arable land, at least, from 10*l.* to 12*l.* an acre of capital is required if you want to farm successfully.

24,383. What capital would you say these men are bringing in now?—I could not say exactly, but I know that a good many of them will try on much less than that.

Tenure.

24,384. Do they come in with leases?—Generally, but within this last few years there are breaks in a 19 years' lease, as a rule.

24,385. When is the break?—Every five or seven years, with a year or two years' notice.

24,386. With a break at the option of the tenant?—On both sides.

24,387. At all events, it is a lease good for five or seven years?—Yes.

24,388. Are there any cases of land being let from year to year?—Yes. I hold my largest farm in Forfarshire, about 500 acres, from Lord Wharncliffe, from year to year. I have held it for the past 10 years without any trouble.

Reduction of rents.

24,389. Is there a growing tendency in that direction?—No, I do not think so. I think the tendency at present is rather to take it on a lease.

24,390. In the case of subsisting leases, have the landlords made abatements?—In the majority of cases the landlords have dealt very fairly and honourably with the tenants.

24,391. Have they reduced the rent permanently during the lease?—Yes.

24,392. What kind of reductions have they made?—From 10 up to 30 or 40 per cent., according to the nature of the land.

24,393. Even as much as 40 per cent. would they?—Yes.

Purchase of farms by tenants.

24,394. Has the depression led to the breaking up of large estates?—Yes, there are a great many large estates which have been parcelled out and sold in farms; in fact, just now in Scotland, I think, land can be easier bought than rented; I mean to say, if a man can borrow so much and buy his farm, I believe he can sit at a less rent than if he rents it direct.

24,395. Have there been many cases in which tenants have bought the land?—A great many cases.

24,396. Have they provided part of the capital?—They must have provided part of the capital, but in most cases a good deal has been borrowed.

24,397. That, at all events, would indicate that many of the tenants have got money out of which they can buy?—When a man has been a long time on an estate, and his farm comes for sale he makes every endeavour that he can to get hold of money rather than leave the farm.

24,398. But he must produce, I suppose, a third or fourth?—He must either have that or get it from friends, and bond the rest.

24,399. Do you think that it is beneficial that there should be some occupying owners?—Yes, I do, and it is an encouragement to a man. When a place is his own he knows that every improvement that he makes he will reap all the benefit of, either himself or his family.

24,400. That is the highest form of security in fact?—The highest form of security.

Deterioration in cultivation.

24,401. Do you think that owing to the depression tenant farmers have spent less on the land?—Yes, I think that is one of the reasons; I think the land of Scotland is not nearly in so good heart as it was 15 or 20 years ago very much owing to the want of capital among farmers.

Land laid down to grass.

24,402. Has there been much change in the cultivation?—None, except that a good deal of land is being laid down to grass and to pasture.

24,403. What proportion of land do you suppose in your district was laid down to grass?—I should hardly venture to suppose. In speaking for Carse of Gowrie there has certainly been a third more land laid down. It is only within this last 20 years that it has been thought possible to graze strong land, but among the Carse of Gowrie properties I know one farm wholly laid down to grass which is doing remarkably well, and was let this year—I am not quite sure, but I think it was let at an average of about 3*l.* an acre. It was strong clay land.

24,404. It is let at 3*l.* an acre?—Yes, I think so. I think at or about 3*l.*, and there is a great deal of land being laid down to grass in the strong land.

Changes of tenancy.

24,405. Have there been many changes of tenancy?—No, not any abnormal changes, just the usual.

24,406. Do the tenants at the end of the 19 years' lease generally leave, or do they renew in your district?—As a rule, I should say they renew at reduced rents.

The letting of farms.

24,407. How is the land relet; is it put up for auction in any way?—As a rule the proprietor tries to deal with an outgoing tenant if he has been doing fairly to the land; if not he advertises. Personally, I consider it is a very bad thing to advertise a farm unless you advertise the sitting tenant out. I do not think it is fair to ask the sitting tenant to offer against the general public. I think the landlord should be free with him before he offers it to the general public.

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24,408. Is that the general practice?—We sometimes find the sitting tenant is advertised out, and then when the bargain is made he gets it again. I have known instances of that.

Condition of labourers.

24,409. As regards the agricultural labourers, have they been affected by the depression?—No, I honestly do not think so. I think the agricultural labourer is in as good a position as any tradesman I know at present.

24,410. Have their wages been maintained?—Since I began farming in Scotland 25 years ago they have been very much increased; I think my average wages when I began would be about 22*l.* and 23*l.*, and they are at least 10*l.* a man higher since that time.

24,411. But compare with, say, 14 years ago before the depression began, I presume the rise took place previous to that?—Yes; I cannot charge my memory with 40 years ago, but I have often heard those who are interested in agriculture, and friends of my own, say that at one time they had there men at 10*l.* or 12*l.* a piece.

24,412. (*Mr. Giffen.*) That is with the addition of board?—Yes, with the addition of meal, and milk, free house, as a rule, and garden supply, potatoes, and perquisites of that sort.

24,413. (*Chairman.*) You were saying, looking back 25 years, wages had risen from 22*l.* to 32*l.* a year?—Yes.

24,414. I presume that rise took place within the first 10 years?—Principally in the seventies.

24,415. Comparing the present wages with what they were 14 years ago just before the depression began, have they been maintained or has there been any fall?—I think they are as high just now as ever they were.

24,416. Then, I suppose, the labourers benefited by the great fall of prices in food?—Yes, certainly their living is very much cheaper, but then they live on a higher scale.

24,417. They benefit to that extent?—Yes; of course they are quite entitled to live on a higher scale, but they do live on a higher scale.

24,418. Their money goes further?—Their money goes further, and I think they spend it more freely too.

24,419. How much do you think they benefit in that way?—By the reduction in the price of food?

24,420. Yes; taking generally the fall of prices in what the labourers consume, should you say that they have benefited to the extent of 20 or 25 per cent.?—I think surely they have. I was in the company of some gentlemen the other night who told me that a labourer in Scotland getting about 4*s.* a day, or something like that, could get as much bread as he could wheel away in a wheelbarrow, for his day's wage.

24,421. I wanted your opinion, if possible, as to what the per-centage of benefit is?—It is rather an intricate sum in arithmetic, but I am certain they must have benefited by the reduction in the price of all articles of living, but I could hardly condescend to a per-centage. It is rather an intricate question.

24,422. What are the conditions of the cottages in your district?—They are very good, and since the institution of the county councils, I think, as a rule, they have benefited very much in regard to sanitary improvements.

24,423. Are they generally let with the farms?—They are generally let with the farms. I do not think that any other way would be satisfactory. I do not think it would be satisfactory to the farmer not to have his cottages under his own control.

24,424. Are there gardens let with them?—Yes, generally good gardens as a rule.

24,425. Besides that, do labourers have potato grounds?—Yes, they have either liberty to plant so many in the field, or get a certain quantity.

24,426. What is generally allowed them in that respect?—Generally a good cartload, about a ton, just as they are lifted out of the field.

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24,427. Has the labouring population decreased in that district?—Yes, certainly it has decreased more or less.

Rural depopulation.

24,428. In spite of the improvement in their position?—Yes.

24,429. How do you account for that?—Partly by the laying down of land to pasture which necessitates fewer of them, partly by the improved machinery—reapers and binders and things of that sort, and partly by the attractions of town life generally. Ploughmen are always inclined more or less to go to the large centres for employment in the way of carters and work of that sort.

24,430. Would you say that the supply and demand is about kept up?—We have by no means an oversupply of farm labourers.

24,431. Am I to understand that farmers can get what labour they want?—Yes, but I would say it was on the scarce side.

24,432. There is no surplus?—There is no surplus.

Statutory holidays for labourers.

24,433. Are you in favour of giving labourers reasonable holidays?—Yes, but not statutory holidays. I do not believe in statutory holidays in such an occupation as agriculture. Personally—I do not know whether I should speak personally here, but I give my men if they want it, at any rate, a week in the summer time, and a gratuity, but I am very much against them having statutory holidays, because agriculture is such a critical occupation that you may lose as much on a Saturday afternoon as would pay the whole year's wages.

Reduction of labour.

24,434. The farmers, I understand, have effected some economy in their labour bill by the reduced number of labourers?—I do not know on the wholly arable land whether they have or not, but where they have laid it down to pasture they have. If they are working it under the plough, I do not see how they can have effected it.

24,435. In consequence of laying down so much in grass they have effected an economy in their labour bill?—Yes, certainly.

Importation of Canadian cattle.

24,436. What have you to say with regard to the conditions under which the cattle trade is carried on?—Personally myself I was always a very successful feeder of Canadian cattle and in the east of Scotland (of course I am not talking here as Vice-Chairman of the Council—I am talking as a practical farmer), I know there is a division of opinion about it, but personally to myself and to many others engaged in the trade the stoppage of the Canadian stock trade has been a very great hardship indeed.

24,437. The stoppage of the free importation of lean cattle?—Yes. I have in my pocket here a cutting from the "Scotsman" of last week which shows in the Glasgow cattle market last week there was 2,050 of States and Canadian cattle for compulsory slaughter, which had had to be killed in 10 days and eaten in that time, in warm weather I suppose; and there was only 500 home cattle at market that week and they made a very dull sale.

24,438. (*Mr. Chaplin.*) How many of those were Canadians?—I cannot exactly say at present. It does not say here. It just says that the number of United States and Canadian cattle sold in market last week was about 2,050.

24,439. (*Chairman.*) Those were fat cattle, I suppose?—Fat cattle. It is that compulsory slaughter that kills the home feeder. I hold that there is no man in Scotland able to breed and feed cattle and send them to the centres of our population to compete with compulsory slaughtered States and Canadian cattle. Those cattle were sold on an average of 50*s.* a cwt. live weight, and I do not believe either a Scotch or English breeder can feed and breed cattle and send them to market and sell at those rates or anything approaching them.

24,440. The difficulty is that they are not allowed to import lean cattle?—Yes. The cattle still come in some shape or other, I suppose.

24,441. (*Mr. Clay.*) Do you mean 50*s.* live weight?—50*s.* dead weight.

24,442. (*Mr. Chaplin.*) You mean the order for compulsory slaughter makes the meat sell so much cheaper?—Yes.

24,443. (*Chairman.*) But that lowers the price of the fat cattle and therefore makes the competition more serious?—It just means this: that we have to compete with freshly killed beef in all the large centres of population. Of course these States and Canadian cattle can be killed this morning and be in the butcher's shops in the course of the day. They can be handled as quickly as our home cattle can be got and therefore we have got to compete with freshly killed beef.

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24,444. You think that the lean cattle ought to be allowed in free?—Provided they are free of disease, and a number of us in Scotland, at any rate, are not satisfied that disease has been proved to exist in them.

24,445. In 1893 were many English and Irish lean cattle sold in Scotland?—A great many last autumn; a great many English cattle came north and a great many Irish cattle that would have supplied the farmers in the south of England also came north.

24,446. That, I suppose, was on account of the deficiency——?—The exceptional drought in the south of England.

24,447. You do not expect that to happen again?—I think it would be very unlikely to happen.

24,448. As a general rule you have in the past been dependent upon the Canadian lean stock?—A great number of feeders have been.

24,449. Or upon what you bred?—Yes. I would say personally that last year for want of Canadian cattle—I feed about 400 in a season—I would take from 2*l.* to 3*l.* at least less a head for my feeding stock than in the years when we had Canadian cattle.

Bimetallism.

24,450. I see in this memorandum you state you do not profess to understand bimetallism?—Well, for an ordinary Scotch tenant farmer it is a very abstruse question certainly, but I heard Mr. Chaplin in Edinburgh. I really think there is something in it.

24,451. Did Mr. Chaplin tell you that it would raise the price of wheat?—He said it would raise the price of wheat.

24,452. From 1*l.* to 2*l.* a quarter?—I do not know that he said that. He said it would certainly raise it, and I think it would have that effect—I agree with him. I think there is surely something in it.

24,453. If it had that effect you would be a bimetallist, I suppose?—Certainly.

24,454. But supposing it also had the effect of raising rent, labour, and everything all round, that would alter matters?—I would not personally grudge the proprietors a little more rent if it was possible to pay it. I think they are just as much in need of it as any class I know.

The Agricultural Holdings Act.

24,455. Then with regard to the Agricultural Holdings Act, what have you to say upon that?—I say that it embodies a valuable principle, but it is too expensive and cumbrous in its working. I have brought up a lease here I have of Lord Kinnaird in the Carse of Gowrie with a scale in it which I think very nearly a model scale.

24,456. When you say it is expensive and cumbrous, do you mean the way in which the arbitrator is brought in to decide the question?—I mean the lawyers and arbitrators eat up anything. I never saw a man make anything out of a claim under the Agricultural Holdings Act; he might win the day, but he was in reality a loser.

24,457. That was on account of the expense?—On account of the expense of working it.

24,458. It is not on account of the principle?—No; the principle is valuable.

24,459. Or of the scale, but on account of the expenses of calling in two arbitrators and the chief arbitrator?—In those cases it was not wrought by a scale at all; it was wrought by an arbitration. If a man has a scale, I do not see a need for arbitration at all, because if he produces his accounts and lays them on the table, he gets a certain proportion on account of what he has applied to the land. It is a matter of calculation.

24,460. Have you known instances where the case has been determined without arbitrators?—I have known them settled by scale.

24,461. Directly between the incoming and out-going tenant?—Yes.

24,462. When that is the case, do you consider the principle laid down by the Act is sound?—Yes; I certainly think it is sound. I think myself it is a valuable thing for a sitting tenant to have a claim

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under the Agricultural Holdings Act, because if he has been working his farm well and keeping it up in condition and his lease falls out, his proprietor must naturally say, If I do not make a bargain with this man I have got to pay him his claim, and therefore he must get a certain preference. It prevents the proprietor putting his hand into his pocket, and in that way it operates to secure the farmer getting a renewal of his lease.

Scale of compensation.

24,463. Would you prefer some other scale of compensation to that laid down in the Act?—I prefer a definite scale in the lease. I prefer to work to a known scale. There is the scale in my lease on Lord Kinnaird's property, which I consider a fair scale to work to.

24,464. What is the principle?—"The tenant shall "be paid for the following improvements at the rates "and on the terms specified in this schedule: (1) For "lime applied to land, eight-tenths of the cost thereof "after the first crop has been taken, five-tenths after "the second crop, three-tenths after the third crop, "and one-tenth after the fourth crop: (2) For crushed "bones, bone dust, police manure, and other manures "of equivalent value, one half the cost where one crop "has been taken, and one-fourth where two crops have "been taken: (3) For dissolved bones, bone phosphate "and grain, one-fourth after the first crop has been "taken: (4) Feeding stuffs for linseed, cotton cakes, "or other substances of equal manurial value, which "have been consumed on the farm by cattle or sheep "during the last year of the lease, one-third of the "value thereof shall be paid, provided the quantity "shall not exceed the average of the preceding three "years." That is the only weak point I see in it. Personally, if I was preparing a model scale I would give a little more for feeding stuffs in the last year. I would provide for the second last year to be paid for also. Then my lease says further that I must produce vouchers, and prove that all these things have been applied to the land and paid for.

Restrictions on cultivation.

24,465. What is your opinion with regard to restrictions on cultivation?—I would hold that a farmer should be bound to work, according to the rules of good husbandry, and leave his farm in a certain rotation; but I do not believe in a farmer being bound down, as they are in some leases, to follow one crop with another with unwavering certainty, because seasons and one thing and another go against him that he cannot possibly do it.

24,466. Are the restrictions on leases in your district severe?—Personally, I never felt them severe. We sometimes sign what we should not sign, but there has been no hardship in working them in my experience.

24,467. If the restrictions are in leases have they been much observed?—They have not been observed to the detriment of the tenant as a rule. I have known cases of hardship, of course.

Price of straw.

24,468. Do you think there should be free sale of all produce?—Yes, provided the farmer keeps up the fertility of his land. For instance, in Dundee, which is my principal market, we have had a very strong demand for straw this year. I sold a lot of wheat straw myself at 4*l.* a ton. I think it would be the height of folly for a landlord to prohibit my selling that when it is only worth 10*s.* a ton manurial value to the land, provided I am bringing back what keeps up the manurial value of the soil.

24,469. What has been the general price in past years?—It ran up to 4*l.*, a pretty big price. About 3*l.*, I suppose, will be near an average.

24,470. Is that higher than it used to be?—It fluctuates very much according to the bulk of the crop and the foreign supply.

24,471. (*Mr. Lambert.*) Has straw been 3*l.* a ton, say on the average of the last seven years, excluding last year?—I do not think so taking the country all over, but in some centres where you have a big demand for it. The Lothians formerly sent straw to Dundee, but I suppose they will sell it at very much less than that. In the Lothians it would be 50*s.* I was in the Lothians the other day, and I believe they were selling straw at much under 4*l.* But taking a large centre like Dundee where there is great traffic in horse's keep you will always get a higher price.

24,472. (*Chairman.*) What did you get 14 or 15 years ago for your straw?—Not nearly so much as that at any rate.

24,473. How much?—About 2*l.* or 50*s.* at the very outside.

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24,474. Then there has been an important rise in the value?—Yes. The straw of a good wheat crop at present price in Carse of Gowrie is worth a great deal more than the grain.

24,475. What do you grow on the average per acre of straw?—From a ton and a half to two tons is a good big crop.

24,476. (*Mr. Lambert.*) What per ton does it cost to put it on the market from the farm—say on the average?—I do not count much on that. I have got my men and horses there at any rate, and I dovetail it into the work some way or another.

24,477. Take the average of farmers—they might not be conveniently situated to the market?—I do not know—7*s.* or 8*s.* a ton.

Rates.

24,478. (*Chairman.*) Have the rates and taxes in your district increased?—Yes, certainly they have, but there are a number of new taxes of course, such as school rates and other rates, and since county councils taxes have increased. Whether we are getting an equivalent for it I do not know.

24,479. What do they average in the £?—It would be very difficult to strike an average. Some parishes are very light and other parishes uncommonly heavy again. I do not think I would venture to strike an average.

24,480. Can you give us an idea of what it is—the rates are divided between the landlord and tenant?—Yes, between the landlord and tenant as a rule.

24,481. What is about the amount the tenants pay—2*s.* in the £?—I would think that would be the full rate in most parishes. However, I was in one parish the other day looking at a farm, and it was nearly 2*s.* It all depends whether they are directly rural parishes or whether they include large villages or towns.

27,482. Taking your rent do you pay more in the pound than you used to do?—Yes; and then of course with the rents falling you have a less area to gather it off, and therefore the taxation must go up if you are going to get the same amount of money.

The Fertiliser's Act.

24,483. But the actual amount paid out of hand each year, is more than it used to be?—Yes, certainly more. Would you allow me to say one word on the Fertilizers Act? We have administered the Fertilizers Act, and with great success in Perthshire, both in the Carse of Gowrie Association and in the Strathearn Association, but I think there is one fatal blot on it; and that is that we have to furnish the chemist with the analysis of the manures from the seller before he makes his analysis. I do not think that is fair. I think the analytical chemist should give us his analysis with a free and open mind, and not know under what analysis the manure is sold. Also another amendment is that the analyses should all be made public. I think the Board of Agriculture might well spend money in making the analyses made under the Act public—printed at the end of a year, or something like that, because if one man gets a bad manure the seller will come to him and make it up to him, and keep his mouth quiet, whereas if it was published it would be a warning to the rest. I want to see that with regard to that Act.

Rent.

24,484. What are your remedies for the depression?—Of course, rent is the main consideration, and I am sorry to say that some of my farmer friends just now are to blame a little. I do not understand on what principle they are offering for land, because they are offering certainly larger rents than present prices warrant. I would have great sympathy with a man who took a farm too dear 10 or 15 years ago, and I think the proprietor was justified in helping the tenant through the bad times, but if a man takes land too dear just now I would let him hang into it, because he is taking it with his eyes open under circumstances which we see no prospect of being altered.

24,485. Then you would not interpose to prevent his doing that?—You cannot do it. The men have arrived at years of discretion, and they must be allowed to do it. I would have great sympathy with a man with a 19 years' lease taking land some time ago, but for a man taking land to-day with wheat at a guinea a quarter, and beef at the price it is, and potatoes unsaleable as they were last year, if he takes land too dear, under those circumstances he has only himself to blame.

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Judicial rents.

24,486. You are not in favour of a judicial determination of rent in any way—where a man has agreed to give a rent that he should then be able to appeal to a court to say whether it was a fair rent or not?—I do not know—I cannot say that. I think a man should make his own bargain.

Land Courts.

24,487. Is there any movement in your district in favour of that?—Of a land court?

24,488. Yes?—I do not think so for fixing the price of land. I believe there is in regard to the Agricultural Holdings Act, of which we were speaking some time ago.

24,489. With regard to fixing the price of rent?—No, I do not think so.

24,490. Do you consider the burdens on land can be reduced?—I do not see how they can be well reduced, unless you shift them on to some other body's shoulders. As I said before the decrease in rent has made the burdens heavier on the rent that is now paid. Formerly we used to think in Scotland when land was about 3*l.*, and the farmer made three rents, he did well. Of course, three multiplied by three is nine, but when land comes to 1*l.* an acre, three times one is three, and the thing will not come at all

Agricultural education.

24,491. With regard to agricultural education, do you think more may be done in that way?—Yes. I was saying to Mr. Gilmour before we came into the room I would like to see a college in Scotland something on the lines of the Aspatria and other colleges you have in England where farmers' sons could get a good practical education, and at the same time get the science as well. We have nothing of that kind in Scotland unless they go to the colleges set apart for seats of learning, and of course they do not get the practical training there.

24,492. Then you think more may be done in that direction?—Yes, in Scotland. In England I think, as far as I know, the colleges are fairly well off.

Dairying.

24,493. Has the dairy farming in your district been affected to the same extent or not?—It is not a very large dairying district, at least there are dairies round the large towns, but, generally speaking, we do not dairy very extensively. Dundee, for instance, draws a very great deal of its supplies of milk from Dumfries nd Kircudbright brought by rail every day.

24,494. Has there been any co-operative dairying?—We have had it, and we have two or three dairy companies, but they have not been particularly successful ventures.

24,495. Why is that?—I do not know very well why it is. It is practically a new thing within this last few years, and milk is a very ticklish thing to handle. Of course these are limited liability companies I speak of. I have not seen much attempted in the way of farmers outside combining.

Land laid down to grass.

24,496. (*Sir Nigel Kingscote.*) Has the land which you say has been land down to grass and is now fetching 3*l.* an acre been laid down long?—Yes; it belongs to the proprietor, and he has laid it down very carefully, and intends to keep it down, I think.

24,497. How long has it been laid down?—Fifteen years.

24,498. As regards other land that has been what you call laid down, do I understand that it is actually laid down for permanent pasture, or do you keep your seeds down two or three years longer now so as to carry more stock on the farm?—It all depends on the nature of the land. On clay land the best practice, I think, is to lay it down and keep it down, and not to have a rotation at all on strong land; but on Strathmore lands I think it comes in best in rotation, allowing it to lie three or four years and then lift it.

24,499. Has the custom increased of keeping it down?—Yes.

Importation of Canadian cattle.

24,500. As regards Canadian cattle, do I understand you to say that you lose by not being able to obtain them because they fatten quicker than the home-grown cattle?—Yes, personally I have found them the healthiest cattle that ever I had.

24,501. The quickest to fatten?—The quickest to fatten.

24,502. And the cheapest to buy?—Yes.

Competition for farms and rise in prices.

24,503. (*Mr. Giffen.*) I think you told us that there is no difficulty in obtaining tenants for farms now?—Not in Scotland.

24,504. And good tenants?—No.

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24,505. So that there is a good deal of competition really for farms; they can afford to pay the rent and make something out of it?—I cannot see how they can afford to pay the rents and make anything out of it either. I cannot account for it.

24,506. There is the fact of competition?—There is the fact. They think, perhaps, the times are at their worst, and then it is difficult to find an investment for money. I cannot account for it at all, because farms are let freer than they were when all produce was dear.

24,507. If the same state of things continued after a rise of prices, would the tenant farmers be any better off? If they continued that competition would it not put them back just exactly where they are now?—I do not quite understand.

24,508. Suppose prices of agricultural produce were to rise, and the tenant farmers were to continue this competition and go on bidding against each other for farms they would not be any better off at the end of it than they are now?—I think they would, because a matter of 4*s.* or 5*s.* an acre in rent is neither here nor there if you are getting good value for your produce. The rent is only one thing, and only a small thing now in comparison with other expenses.

24,509. I am assuming that competition goes on?—The foreign competition?

24,510. No, the competition for farms; if the tenants go on bidding against each other in that matter they would not be better off, surely, at the end of the competition than they are now?—They would not be as well off if they gave more rent. I do not exactly understand it, I must say.

24,511. If the tenants are competing now, and going into farms at prices that do not pay them, they might go on doing the same thing after the rise of prices?—Yes.

24,512. And then they would not be any better off than they are now?—No, if they were giving more for it.

Bimetallism.

24,513. Then with regard to a rise of prices, you are in favour of bimetallism, because it would bring about a rise of prices?—As far as I understand it, I honestly think it would have some effect in that way.

24,514. Would you be in favour of any monetary change of a similar character that would bring about a rise of prices?—I would be in favour of anything that would bring about a rise of prices.

24,515. Would not the simple way be for the Government to diminish the quantity of gold in the sovereign by one-third or one-half, and call the new piece a sovereign still; then you would have a rise of prices?—You are just going a little beyond my depth. I would be in favour of anything that would put us in a better position than we are at present certainly.

24,516. But you would not be in favour of a change of that kind, would you?—I would rather not express an opinion on that. It would need a little thought. It is just a little outside the province of a Scotch farmer.

24,517. Still, measures of that kind have been tried in former times for the purpose of raising prices?—I would rather not give a definite opinion on that in case I should commit myself to something I do not fairly understand.

24,518. You might be in favour of an extensive use of inconvertible paper money, which would also have the effect of raising prices?—I would rather have the gold than the paper money.

24,519. Would not giving you the proposed silver measure be something like giving you paper money and then calling it a rise of prices?—I state in the notes of my evidence that I do not understand bimetallism. I doubt you are going into the question of it, but I would rather not commit myself upon it.

The letting of farms.

24,520. (*Mr. Clay.*) I think you said that you did not agree with advertising farms?—Not before the sitting tenants have done with them. I think a landlord should be clearly done with his sitting tenant before he invites neighbours and others to offer against him.

24,521. Most of the landlords have followed that system of advertising their farms and taken the highest offer and their tenants have come sooner to grief than any others?—Yes.

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24,522. So the landlord in the long run has been at a disadvantage?—Yes, the largest rent may tell for a year or two, but if the man is a non-practical man the proprietor virtually loses by the transaction.

24,523. When the Duke of Richmond and Gordon, who is one of the best landlords in Scotland, was giving evidence before this Commission, he said that he never advertised a farm and never allowed his land agent to conclude the contract until he went over the details and saw that it was satisfactory to both parties?—I think that is a satisfactory method.

24,524. Do you consider that if all landlords were to pursue the course of the Duke of Richmond they would be doing both better for themselves and better for the tenants?—Yes.

The Agricultural Holdings Act.

24,525. They with regard to the Agricultural Holdings Act you do not agree with the present process of getting compensation through that Act?—It is far too cumbersome and expensive. If you are to employ two arbitrators and an overman and a couple of agents they generally swallow up all.

Official referees.

24,526. Have you considered how it would work if there were one or two men in each county set aside to work that Act under the name of official referees?—I think it would be much preferable, either that or leaving it to the sheriff of the county to nominate a practical man to give a decision.

24,527. Would it not be as well if these men were nominated say by the Board of Agriculture?—Yes, I quite agree with that.

24,528. And so you would have no difficulty in getting two or three good men in Perthshire when called upon to discharge the duties of assessing the values?—Yes. I think it is much preferable, because the expenses are great. I have known two or three cases where the man gained his point under the Agricultural Holdings Act and lost money.

24,529. Do you consider that that would do away with all extra arbiters and lawyers?—I think so. I do not think they would be very often called on to operate, because both the landlord and the tenant would virtually know very nearly what a practical man's decision would be.

Scale of compensation.

24,530. Do you consider that scale that you have laid before us which is adopted by you and your landlord is under the Act what they call fair and reasonable?—Yes.

24,531. It allows eight years for lime. Does lime in your district last no longer than eight years in the land?—I think it does in clay land—on black land I do not know whether it does. I have seen the effects of liming clay land after twice eight years.

24,532. Would you be inclined to give the official referee a free hand to deal with the lime laid on, according to the qualities of the land?—According to the different nature of the land.

24,533. Then I think you took exception, and I think very wisely, that the weak point in that schedule in your lease is the question of the use of cakes?—Yes, I would give more encouragement for the use of cakes, I think you bring land more rapidly into condition with the free use of cake than by importing a great lot of what we call in Scotland town manure.

24,534. Would the free use of cake not make good grass or conditioned land quicker than any other manure?—I think so.

24,535. Would you be inclined to go a little further with the use of cake?—Yes.

24,536. How much further would you say the second year?—I put it something on the scale on which manure is put; give a fourth for the second last year say, and a third for the last, or something like that.

24,537. Does the landlord allow you anything for laying down old grass and leaving it in your lease?—No; in this instance I did lay down some land to grass and my proprietor was to meet me in three years, and either take it off my hand or allow me to break it up again, but instead of doing either one or the other we went into a new lease.

24,538. Do you not think it is very important that an outgoing tenant should be compensated very liberally for leaving old grass?—Yes, certainly. That is the great difficulty in laying down land to grass, unless the tenant is compensated. By the time it is well laid down it is just about time that the tenant should lift it again to prepare for the finish of his lease.

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24,539. If he got compensation then he would not lift it?—No, he would not.

24,540. And you consider that to be a very important point in the Agricultural Holdings Act?—Yes, a very important point.

The Fertilisers Act.

24,541. Regarding this new Fertilizing Act, I think that in your old societies such as we have—the Kelso Society which is of 40 years' standing—everything there is made private to the members of that Association, and you consider it is a very weak point in this Act that the farmers generally have not the opportunity of seeing what is good or bad according to the analysis?—Certainly, it only protects the man that sends in the manures for analysis; it does not protect the general farming interest.

24,542. You also consider that it is not a fair way of working that Act to give the chemist the seller's analysis?—I do not. I think a chemist should make the analysis of his own free will and not know what the seller's analysis is until he renders his own.

Competition for farms.

24,543. Do you consider with respect to the land hunger near Dalkeith and other places round Edinburgh that the present prices of agricultural produce do not warrant these extreme high rents?—Yes, and I think every sane man will agree with me. They may see something in the future that we do not see.

24,544. How do you account for that extra competition?—I account for it in two or three ways; one is that agriculture in America and other countries—of course it is only hearsay—is so bad that farmers' sons are more inclined to stay at home perhaps; another reason is that when things are at their worst people always expect them to mend, as we say in Scotland. I think there is an idea abroad that things are at their lowest. Another reason is that a number of men are still taking farms with the idea that they are taking them under liberal landlords who will not see them stick; that has been a good deal the case in the past. Then there is also the difficulty of getting a remunerative investment for money. There has been so much capital lost outside in other countries lately. People say they would rather have it under their own management, although they make little or nothing of it.

24,545. Taking the whole range of prices and the competition from all parts, do you see anything to warrant any increase of price?—No.

Cost of labour.

24,546. Later the price of labour may tell against us still?—Personally, I do not want to see labour reduced. I think the labourer is worthy of his hire, and I do not see how we can expect to get agricultural labour for less.

24,547. I agree with you that the labourer has never yet got his fair share of the produce of the soil, but is it not on the cards that he may yet increase in value?—I think so.

Position of landlords and tenants.

24,548. In that case there will be both less for the landlord and less for the tenant?—The tenant cannot have much less at any rate. I cannot judge of the proprietor's position, because I have never been in it. I know that in Scotland there could not be less money return from the land than there was on an average last year.

24,549. (*Mr. Everett.*) You had a very fine season last year, had you not?—Yes, we had a very fine season, but then we have had extraordinarily low prices, especially for the wheat and the potato crop. The potato crop alone on many farms has been marketed at you might say a fourth or a fifth of its ordinary value.

24,550. (*Mr. Clay.*) I think you said the landlords as well as the tenants, the landlords more especially, require an increase?—Well, I think so. I cannot speak from their standpoint, but I know that when land comes down to 1*l.* an acre, or such as it is with us in the Carse of Gowrie, after the landlord pays taxes and other burdens and keeps up the lands and the buildings and everything else, he cannot have very much over.

Agricultural education.

24,551. Regarding that very important matter which you commented upon, the agricultural colleges, as I understand you consider that in Scotland our middle class agriculturalists are greatly in want of means for getting technical education relating to the management of land?—I think it is a very strange thing that

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in Scotland, (and everybody acknowledges—I suppose the gentlemen around the table do—that Scotland has advanced further educationally than England,) we need to send our sons across the border to get them perfected in agricultural education.

24,552. At Cirencester and other places it is too high a class—too expensive?—Yes, Cirencester is a very good college, but there is hardly any average farmer that is able to send his sons there.

24,553. You would like to see a college in Scotland?—I would like to see a college in Scotland—a good agricultural centre where you could get an education at a reasonable cost; where the farmers' sons and others could get an education in the college, and could go round the farms in the afternoon as they do in some of the English colleges, and see how to put their hand to practical work.

24,554. Would you like to see a little land connected with the college, although it did not pay full rent, as they have at Cirencester?—I have no experience of it, but I am told at Cirencester they had to let the land. I am quite agreeable to that if that is thought the better way, but I think it is a great pity that we have not in Scotland a good agricultural college where young men could go at a moderate fee.

24,555. But you could only learn the practical part of farming by putting out your hand and working the land?—Yes, certainly.

25,556. Not by a theoretical course of lectures and books?—You must have theory too, but it will not do without practice.

24,557. Not on the ground that theory is not very good in itself, but that a practical knowledge is wanted?—It is the main thing, of course. We have had many capital farmers that have never had much theory at all.

24,558. (*Mr. Lambert.*) If there was a demand for such a college in Scotland, would it not be started by private enterprise?—I do not know. I am afraid it might not be a very paying concern perhaps to begin with. I have heard it mooted often. My idea of it was that the various county councils in Scotland might give a small portion of the technical education grant, and establish a central college.

24,559. They would be able to do that if they thought there was a sufficient demand?—I have no doubt there would be a demand.

24,560. (*Mr. Gilmour.*) Of course, these grants from the county councils would not be sufficient to start and establish a college?—No.

24,561. They might help to carry it on?—If every county council were to give a little out of the Technical Education Grant in Scotland, it would come to a good annual subsidy.

24,562. They might contribute enough to enable them to send men from the different counties to attend at reduced fees?—Yes.

24,563. But in the first place, you would require to have either Government assistance or private individuals to come forward, and give money for it, I take it?—Yes.

The letting of farms.

24,564. Is it not a very unusual thing in your part of the country for landlords to advertise farms, until they have failed to come to any conclusion with their tenant?—It is an unusual thing, but I have known cases of tenants getting their farms after the landlords have gone to the public, when they could not get a larger rent. It is unusual, I admit, and I do not think it is a fair system.

24,565. Is it possible there could be any better way of getting a tenant for a farm, than placing it openly before the public through an advertisement, as we do in Scotland?—I do not know. I have a proprietor in my mind in Forfarshire, who never advertises his land at all, and he has as many offers and as good men as the man who does advertise a good deal.

24,566. The plan that has been followed by the Duke of Richmond in letting his farms has been referred to by Mr. Clay as being a model way, but would that be a practical way upon ordinary sized estates, where you have very few tenants' families to fall back on? As I understood from the Duke of Richmond, he generally lets to other tenants or sons of tenants upon his large estates, and where you are carrying on an estate of a certain size that may be possible, but taking ordinary properties in Fife and in Perth, would that be practicable?—You mean to say the tenants would not have sufficient sons to come forward and take them.

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24,567. Quite so?—It would be much easier on a larger estate, for then you would have a much larger choice.

24,568. But on ordinary sized estates, would it not be, in fact, impossible to get tenants in any other way than by advertising?—I do not think it would be impossible, but I think it is quite a fair way to advertise if you are perfectly done with the sitting tenant.

Large and small farms compared.

24,569. Has the depression been felt worse on large or on small farms in Perthshire?—I think the depression is very nearly alike on them both, but in regard to small farms, of course, where people do the labour within their own family they perhaps have not actually felt it so much as the larger farmers, who have to pay wages direct out of pocket.

Small Holdings Act.

24,570. Has the County Council in Perth done anything in the way of putting the Small Holdings Act into operation?—No, there has never been any application.

24,571. No application for it?—Lord Kinnaird, whose lease I have quoted, has done a good deal personally; he has divided up two or three farms, and has got them let readily, I understand.

Malt tax.

24,572. Has there been much opinion expressed in your part of the country as regards the repeal of the Malt Tax and its effect upon the price of barley?—Yes; farmers, as a rule, think that the repeal of the Malt Tax was a mistake.

24,573. What do you put the effect of that repeal at as against the price of barley?—There are so many other substances—foreign grain, and that—which can be brought into competition with our barley, that it is difficult to say.

24,574. How much do you consider barley has fallen owing to that; can you separate that from other causes?—I certainly think it has operated against the price of barley, but I would not like to condescend on a sum; it would be difficult.

Restrictions on cultivation.

24,575. There seem to be a good many in your part of the country who have been perfectly free to crop their land as they chose, and also to sell off what they chose; are those men practically in a much better condition, or any better condition, than those who have been under the ordinary lease?—I know very few men who are in a position of being able to do that.

24,576. Very few men round about Perth?—Very few tenants.

24,577. But you have men who own their own lands and farm them; are those men in any better position?—Yes; I think that if a man can sell a certain class of produce at a biggish price, and if he can make up the condition of his land by importing something cheaper, certainly that would be a great advantage.

The Agricultural Holdings Act. Claims and counter-claims.

24,578. Have you considered the mode of giving the notices of claim and counterclaim under the Agricultural Holdings Act?—Yes, I have considered it, but I cannot say that I have been personally much concerned with it in practice. I have never had to put it into operation. You mean that the landlord can put in his claim so long after the tenant?

24,579. Yes?—I think myself that I would put them both on the same footing.

24,580. And have both notices put in at the same time?—I think so; I think it gives the landlord rather an advantage in the way it is at present.

24,581. Have you anything to say in regard to the schedules attached to that Act, as to removing items out of one schedule into another?—No, I cannot say that I have.

Restrictions on cultivation.

24,582. Supposing these conditions which are inserted in certain leases as regards cropping were done away with, do you think that that would practically alter the mode of farming in your district to any extent?—I do not know whether it would, but there is one thing I would take out of the lease if I had the power, and that is the penal clauses of 5*l.* an acre for miscropping. I I would never sign those clauses; I have always said to the landlord, "I am quite willing to be fined for mis-"cropping, but let it go to arbitration as a damage to "the land, and not let it be a penal rent." I have known one or two cases of extreme hardship where it has been a penal rent.

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24,583. Where leases obtain would it be sufficient, in your opinion, to stipulate that the land was to be left in a certain rotation at the end of the lease?—Yes, and farmed according to the rules of good husbandry. I would be as hard on a farmer for misusing his land as I would be on a proprietor for any fault on his part.

24,584. The question of leaving it in a dirty state with weeds would be a matter to be decided at the time before the umpire?—Yes, and the umpire, as Mr. Clay proposes, if he were a really practical man, could quite as well tell from the appearance of the land how the tenant had been handling it.

Income tax.

24,585. It has been proposed that there might be some alteration in the way in which farmers are assessed for their income tax in Scotland; that instead of being assessed on a third of the rent they should be assessed on profits?—It is generally supposed that they have no income at all for a number of years.

24,586. Would it be possible for the general run of farmers to produce accounts on which statements of that kind could be taken?—I must say that I could do it myself, but I do not think it obtains universally.

Compensation for home-grown produce.

24,587. Have you thought about any practical means of carrying out the proposal that compensation should be given for home-grown produce consumed on the farm?—Yes, I certainly have thought about that over and over again. It is a question which is surrounded with a great deal of difficulty. It seems a very strange thing that, say, if I am feeding hogs in winter, I have to go and sell my own corn and buy my neighbour's before I can substantiate a claim. It is a question that is certainly not very easily settled, and I do not know very well how the figure could be arrived at, because you would have no accounts for the home-grown produce. In the case of bought-in material you can produce your receipted account. Certainly if there could be a scheme devised it would be an advantage.

Scheduling the condition of farms.

24,588. It has been proposed that there should be almost an inventory taken at the beginning of the lease of the state that every field was in upon a man's farm, and that this should be kept to be the basis of acting with that man on his leaving the farm?—I think that is too intricate, and I do not see how it could be done.

Payment of labourers in kind.

24,589. (*Mr. Chaplin.*) With regard to the agricultural labourers in your part of the county are they ever paid in kind?—Yes; we give so much money, and supply meal and milk and potatoes, free house and garden.

24,590. What proportion of their total wages does that represent; how much, that is to say, do they have in money, and how much in kind; which is the larger share of their earnings?—The money; personally I consider that it is a very valuable thing that a ploughman in Scotland can have a supply of pure milk and meal and potatoes also. I think it would be a retrograde step to pay them all in money.

24,591. You cannot give us any idea what proportion of the whole wage it represents?—I would think myself that the money wage would come to something like 33*l.* or 34*l.* a year for an average ordinary man without charge, and I would suppose that his perquisites (I speak, of course, under correction) would bring him up to something like 1*l.* a week.

24,592. That would be about 19*l.* a year that he would get in perquisites?—Something like that.

24,593. And 33*l.* a year in wages?—Yes. There is one thing I want to emphasize here. I know that some people are not in favour of paying in kind. Now take a farmer like myself, and there are a number of farmers in the same position; if I had not to supply milk to my men it would be a great advantage, because I should not keep cows at all, but then the labourers would have to wander all over the country in order to get a supply, and perhaps could not get it near at hand at all. I think it would be a disadvantage to the men.

Importation of Canadian cattle.

24,594. With regard to the trade in Canadian cattle, how long have you been engaged in that trade; it is comparatively modern, is it not?—It has existed, more or less, since early in the seventies—1876, was it not?

24,595. Has it existed so long as that?—I think so; you know better than I do, probably.

24,596. Can you remember when you first bought Canadian cattle?—No, I could not charge my memory with that, but I was among the first to buy them.

24,597. It began in a very small way, and since then has developed very considerably?—Yes.

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24,598. What did you do before that trade began; where did you buy your stores then?—We bought either home bred or Irish cattle—anything that we could get in that way.

24,599. Had you any difficulty in those days in getting a sufficient supply of store cattle?—Yes, we had more or less difficulty, and we certainly had to pay pretty sweetly for them.

24,600. Now I observe that you say that, in the course of time, breeders also will be affected by the present embargo upon Canadian cattle?—Yes.

24,601. How will that come about; I do not quite understand that?—My contention is this, that if we in Scotland and England are all forced into breeding cattle, then, of necessity, we must breed them against the Canadian and States importation of fat cattle. If we do not get them as stores, we will get them as fat cattle, and we shall have to send our home-bred cattle to meet, in the market, those compulsorily slaughtered cattle, at something like their own prices. Now, I hold, that we cannot, in the East of Scotland, send home bred and fed cattle to Glasgow to meet this importation I have spoken of, at 50*s.* per cwt.

24,602. Then you are of the opinion that this will ultimately injure the breeder as well as the feeder of cattle in Great Britain?—Most decidedly, in the case of ordinary commercial cattle, at any rate. My idea is that we shall produce between us all over the world, more fat beef, and therefore reduce the price.

24,603. Is not the store stock in Ireland, as far as you are aware, greatly increasing at present?—I cannot say whether it is increasing or not, but certainly at the present time the price of store stock is out of proportion to the price of the finished article.

24,604. Has there been an increase in the price of stores lately?—In Scotland there has been, locally—at least, I am speaking *pro tempore*—a decrease, but that has been brought about by the state of the weather. I am speaking of this spring, when we got this hard frost. Then store cattle came down.

24,605. But the wet summer we have had, generally speaking, has rather tended to increase the price of stores; is that not so?—Stores were dearer with us early in the season than they are now in Scotland.

24,606. And that you attribute to the recent frost?—Yes, the pasture did not stand what we call eating.

24,607. Is there not room for considerable development in the breeding of cattle in Scotland?—Yes, there is room for it; but there are a great number of districts in Scotland where we would need to go to a great deal of expense before we could begin to breed cattle; there are difficulties in the shape of unfenced land, and that sort of thing.

24,608. I am quite aware that in some districts in Scotland, and perhaps one or two in England, there is a great feeling in favour of the importation of these Canadian cattle free, provided it can be done without risk of disease; is that so?—Yes.

24,609. But that feeling is limited, as far as I know, to those districts I have mentioned; what is the reason you are more in favour of it in Scotland than farmers are in England?—Because we are more long headed, and see before us better.

24,610. That is a reason which I cannot dispute for a moment; you think other farmers will come to be of the same opinion?—Yes; I hold that if the store cattle trade had gone on in Canadian cattle for another seven or eight years, no power on earth could have stopped it unless you had given us clear proof of the existenco of disease.

24,611. I understand from what you say on that point, that you would rather have the embargo maintained as it is now, than run any serious risk of the return of disease?—Certainly; I think we are all agreed on that.

The Agricultural Holdings Act.

24,612. Now with regard to the Agricultural Holdings Act, I understood you to say that you think compensation ought to be given rather on the principle of the outlay being made the basis than of the value to the incoming tenant; did I understand you rightly there?—I think that the outlay is the fairest way of arriving at it.

24,613. Your view is this: that in the case of a tenant who has spent so much we will say upon cake, and so

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much upon artificial manure, at the end of his tenancy, when he quits, he should be repaid a certain proportion of that outlay?—Yes.

Official referees.

24,614. That is your view?—That is my view. I am quite in favour of Mr. Clay's view; working it out in his way, and having an arbitrator appointed by the Board of Agriculture in various counties, to decide the claim. We must have it simplified in some way, at any rate; the present working of it is too cumbersome.

24,615. Upon that point would you make it obligatory to employ this official valuer, and would you forbid people, even if they wished to do so, appointing their own?—If the Board of Agriculture exercises due care regarding the valuator, as I have seen it done in the past with regard to other things, I do not think there will be a question.

24,616. I asked the question of you because some witnesses here have given evidence to this effect, that they would prefer to be allowed to appoint their own valuers; there is a great deal of difference of opinion about it; would you go so far yourself as to prohibit the appointment of valuers by the parties concerned? I only want to know what you think?—The Government arbitrator would be supposed to be a man who would approach it from both sides of the question. Unfortunately in these arbitrations one man goes for the one side and the other man goes for the other side, and it is generally left to the oversman; they very seldom agree.

24,617. You commonly have differences in valuations in Scotland then?—I say valuators generally go for it upon the principle of the man who employs them.

Compensation for land laid down to grass.

24,618. Now with regard to the permanent grass which you have laid down upon the farm, which you hold upon a lease; what is the compensation that you think ought to be given in that case? You would, I suppose, give a certain proportion of the outlay, in accordance with the number of years which have elapsed since it was laid down?—Yes, and then if I enter a farm of 100 acres and lay it all down in grass, I would have the right, as a way going tenant, to sell the produce of that ground at a way going sale; and I would need to be remunerated by my proprietor for the loss of that sale, and for leaving the land in grass.

24,619. I understood you rather to say that your difficulty was that in the absence of that compensation you found it to pay better to break up the grass again before you arrived at the end of your lease?—Of course I would if I had the right to sell a crop off it. It would never do for me to lay down land to permanent pasture, and then leave it to my proprietor gratis; I would not do that.

24,620. What compensation would pay you in your opinion for leaving it as permanent grass for your successor?—If I were getting the benefit for grazing it, as I would do up to the end of my lease, it would come to be a matter of what was the difference of leaving this land in grass, and selling a way-going crop of grain upon it.

24,621. (*Chairman.*) How long before leaving your farm would you break it up?—You would need to break it up two or three years before.

24,622. It takes two or three years to obtain the value that you put into it?—Yes, and also to bring it into a proper rotation.

Reduction of rents.

24,623. (*Mr. Chaplin.*) Now, with regard to the rent which you say is the main consideration; rents have been, I understand, considerably reduced already?—Yes.

24,624. Are there any parts in your district where it has got so bad as this, that no rent is paid?—No, and never will be in Scotland.

Land out of cultivation.

24,625. And there is no land out of cultivation?—No, and I never anticipate to see that time.

24,626. The land is too good?—No, we manage it better than that. We never need to throw it up as a bad job. I do not think it will ever come to that in Scotland.

24,627. Has it nothing to do with the quality of the land?—Partly that, and partly the brains of the cultivators.

Average rent.

24,628. What is the average rent now in your district?—I think the average rent of the Carse of Gowrie will be from 15*s.*—that will be the very lowest that I know of; and that is not what we call good land at all—up to 25*s.* and in some cases 30*s.*, but a pound to 25*s.* will be the average in the Carse of Gowrie.

24,629. Even now?—Now. I have taken a 19 years' lease myself of land at a moderate rent.

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24,630. (*Chairman.*) When did you do that?—I did that the other day with Lord Kinnaird.

24,631. How much?—380 acres.

24,632. (*Mr. Everett.*) With breaks in the lease, I suppose?—No, I took no breaks.

24,633. (*Mr. Chaplin.*) What reduction does that amount to? What used that class of land to let for 15 years ago, or say 20 years ago?—It used very often to be on what we call a grain rent at that time; that is, so many bushels of grain at the average prices of the county. I suppose at the time you allude to, that land would let at from 50*s.* to 3*l.*

24,634. Then there has been a heavy reduction?—Yes.

24,635. Then in the case of all the land which was worth only a pound an acre, at that time that you speak of, when your farm used to let for 3*l.*, I suppose you might conceive it possible that that class of land might have gone out of cultivation?—Yes, but we had none of that class of land at that time.

24,636. Then the quality of the land has something to do with it?—Certainly.

24,637. Farming used in those days to be very prosperous indeed in Scotland, did it not?—Yes.

24,638. Even at the time when you paid those high rents?—Yes, in fact I would rather pay a higher rent and have the prices for produce we had at that time, than I would pay the lower rent now.

Fall in prices.

24,639. What is it that has occurred to bring about this tremendous change?—The fall in the prices of produce.

24,640. The real cause of agricultural depression after all then, is the great fall in the prices of agricultural produce?—That is the main factor.

24,641. Do you see any other real remedy, unless there should be a rise?—Reduction of rent, for one thing.

24,642. (*Chairman.*) There is still some rent that might be further reduced?—Yes. Then there is this vexed question of bimetallism; I honestly think there is something in it, although I would not attempt to say what it is.

24,643. (*Mr. Chaplin.*) At all events, you do not believe in the suggestion that has been made to you, that a rise in the price of produce would do you no good, because the other things would all rise in proportion?—I do not know; it would do me good personally, now that I have got a bargain made.

24,644. (*Chairman.*) You are safe for 19 years?—Yes.

24,645. Your rent could not be raised during that time?—No, it would do me good there, I can see through that quite well.

24,646. (*Mr. Chaplin.*) You look back to the days of 3*l.* an acre, with better prices, as a prosperous period?—Yes, everyone was better at that time than now.

24,647. Would you like to see that state of things return?—There is a good deal in the last part of the notes of my evidence with regard to our trade with other countries; if we can get them converted to a free trade policy, I think that would be a great advantage.

Duty on potatoes in America.

24,648. Do you see any prospect of that at present?—I think they will see the error of their ways themselves. Fancy the United States taking 39*s.* 8*d.* a ton duty on potatoes, the real worth of the article itself at present.

24,649. (*Chairman.*) Would there be a large exportation of potatoes from Scotland if it were free?—If it had not been for the American demand for potatoes this year, the crops would have been worth little, if anything.

24,650. If there was no duty on potatoes in America, there would be a still greater exportation?—Yes, and the American people would feed themselves much cheaper; they are great fools, I think, from their own point of view.

Dairying.

24,651. (*Mr. Chaplin.*) Is there, in your opinion, any considerable opening for an extension in dairy farming in your part of Scotland or in any parts of Scotland that you are well acquainted with?—Yes, there is great room for the extension of dairying.

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Dairying.

24,652. Dairy farmers, I understand, have suffered less than almost any other kind of farmers?—Yes; but the district I come from, the east of Scotland, is not so well adapted for dairying as the south and west counties of Scotland. I do not know how it is, the habitation of dairying seems to be in Dumfries; you see railway rates operate there. I understand that the railways bring the milk from Dumfries to Dundee, I would not like to say at what rate exactly, but I think there is just a farthing a gallon difference between putting it on at Dumfries and putting it on within 20 miles of Dundee.

24,653. What I am anxious to get at is this: In cases where depression still continues very badly, and where there is a prospect of its getting even worse, as far as your practical experience of farming in Scotland goes, would you think that anything could be done to mitigate that depression by increasing dairy farming very largely, and making it take the place of other farming in Scotland?—To a certain extent it might, but we might have severe competition in the dairying industry as well as in any other. Just now, in Dundee, they are pouring in the very best Danish butter at 1*s.* a pound.

24,654. Is that not because the Danish butter as a rule is better than the butter we make in this country?—Perhaps it is, but if we made as much butter as we needed, and did not get much more than 1*s.* a pound for it, it would not be a tremendously remunerative occupation.

24,655. That rather leads to the view that there is no great opening for an extension of dairy farming?—It is quite possible to overdo it.

24,656. Do you think that the market is pretty well supplied already?—I think the competition in dairying is as severe as in almost any other industry; of course, near large towns, where they can get away their milk warm, it is quite different, but I do not know about the manufactured dairy products.

24,657. If we made as good butter in all respects as Danish butter; if agricultural education was improved to that extent, and the class of butter was made very much better than it is now, you do not see any considerable opening even then?—As long as the Danes would send in their butter at 1*s.* a pound we should be obliged to meet them.

Compensation for home-grown produce.

24,658. I only want to ask one question more that occurs to me; that is, with regard to home-grown produce being compensated for; your difficulty evidently is that there can be no check, or that there is no check at present upon fraud?—I do not think my class, as a rule, would attempt any fraud, but I am afraid that they deal too loosely in that matter. It would be difficult to keep a correct account of what was consumed on a holding. I do not think that many of them would, out of evil intent, try to do what was wrong, but it would need very careful accounting.

24,659. The same difficulty, I am bound to say, has been put before us by a great number of other witnesses, and you are not prepared to place before us a scheme which would overcome those difficulties?—I have not thought out a scheme. Of course, it would be valuable if it could be done, but it is surrounded with a great deal of difficulty.

Division of large estates.

24,660. (*Mr. Lambert.*) Do you regard the ownership of the land as beneficial to the occupier? Is the owner in a better position than the tenant farmer?—I have never been in the position of owner, but I can quite well understand that a man who owns 100 or 200 acres gets the benefit of all the improvements, and farms for the benefit of his heirs.

24,661. Are you in favour of any legislation which would tend to break up large estates and enable the land to be more easily distributed?—Yes.

Bi-metallism.

24,662. You say that you are in favour of bimetallism because you imagine that it would raise wheat 1*l.* or 2*l.* per quarter?—That is what I am told.

24,663. Would there not be a simpler remedy, that is, to put on an import duty at the ports to that extent?—You could not do that at this time of day, the general public would rise up in arms against you.

24,664. What is the difference; would not the general public rise up in arms against you if you raised the price of wheat by artificial legislation 1*l.* to 2*l.* a quarter?—I do not know whether bimetallists call it artificial, they seem to think it is natural.

24,665. Do you not think whether it was by artificial or natural means, the general public would rise in arms if you intended to raise the price of wheat from 1*l.* to 2*l.* a quarter?—If you raise the price of wheat by natural means I do not see that anybody has a right to object.

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Importation of Canadian cattle.

24,666. What is the tendency as regards prices at the present moment of the restrictions on the landing of Canadian cattle?—The tendency is to keep down the price of home-produced fat cattle.

24,667. Does it raise the price of stores?—Yes, it raises the price of stores by limiting the number of them, certainly.

24,668. Are you in favour of lowering the price of stores?—I am in favour of having a natural price for stores at any rate, and not a fictitious one. I hold that the importation of Canadian cattle would not affect the home breeder to the extent that people imagine. The large number of us farmers who have already bought these cattle will continue to buy them, if they are imported, but if you do not give them to us we will breed, and we will enter into competition with our farmers who are breeding. We should be bound to breed in self-defence. Feeders are not going to give absurd prices for store cattle out of all proportion to fat, and if you stop the importation we will have to start and breed ourselves, every one of us.

24,669. Do you think that the free importation of Canadian store cattle would tend to reduce the price of stores?—In this country?

24,670. In Scotland?—I do not say that it would have that effect altogether, because it would keep those of us who are feeders, otherwise we must turn breeders.

The Agricultural Holdings Act.

24,671. Have you studied the question of compensation under the Agricultural Holdings Act?—Yes.

Compensation.

24,672. I rather gathered just now that you were in favour of compensation being awarded, not upon the value of the holding, but upon the outlay of the farmer?—The outlay of the farmer and the value of the holding must be in a certain ratio.

24,673. Presuming that one farmer had laid out 100*l.*, and had laid it out beneficially, and that it was worth 150*l.* to the holding, and presuming that another man had laid out 100*l.* likewise, and that it was only worth 50*l.* to the holding, how would you award the compensation in each case?—I was only speaking of manures and feeding stuffs, of course; I was not applying any other improvement except those that are specified in the schedules.

24,674. How could you estimate the compensation in that case; would you estimate it upon the value to the holding or upon the outlay?—If one man eats 100*l.* worth of cake, and another man eats 100*l.* worth of cake, there would be the same value to the holding.

24,675. I am talking of other improvements?—I did not enter into anything except that scale for manures and cakes and feeding stuffs. Of course what you speak of now would fall more under what Mr. Clay suggests, the decision of an arbiter. I quite acknowledge that a man might go and execute an improvement on the farm which was not for its permanent benefit. He might go and erect a byre or stable; he might possibly, out of some fad of his own, go and erect something that was of no use. I would not compensate him for that.

Security of tenure.

24,676. You attach a good deal of importance to long leases, do you not?—Long leases have made agriculture in Scotland what it is at the present time.

24,677. For what reason have they made it so?—Because of the greater security of tenure.

24,678. You attach very great importance to the security of tenure then?—Yes; a number of years ago, when you could count on a sort of fixed value; but in these days of rapid changes I do not know that the 19 years' leases are the best.

24,679. But presuming that the conditions were the same at the commencement of the tenancy as they are at the end?—Certainly, the leases are preferred in Scotland.

24,680. And they conduce to the fertility of the soil?—They have done so.

Railway rates.

24,681. You state in your brief that railway rates are most unfair; have you any specific instances to bring before us?—I cannot condescend to specific instances, but I believe it is a well-ascertained fact that foreign

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produce is carried at a much lower rate than home produce.

24,682. But you have no specific instances to bring before the Commission?—No.

Rent.

24,683. What is the average extent of the reduction of rent in your district?—On strong land fully 50 per cent., and on black land about 25 to 30 per cent.

24,684. Why do farmers offer too high rents?—You would need to go and ask the gentlemen that do; I am sure I could not tell you myself.

24,685. (*Chairman.*) You said possibly it was owing to the difficulty of finding investments; in other words they are prepared, I suppose, for a somewhat lower profit?—Yes.

24,686. (*Mr. Lambert.*) Is it not also due to the fact that the farmer is usually not fitted for any other occupation after he has been farming for, say 20 years?—I believe the majority of them are not fitted for any other occupation, but I think it is principally owing to the fact that the younger men just now are going into land at those rents; a great many of them at any rate. Of course, as you say, after a man has been 20 years at a certain occupation, he is not worth much for anything else.

24,687. Is there not somewhat of a desire for farmers to get into a holding, and then trust to the generosity of the landlords?—There is a good deal of that.

24,688. And that is not a good system?—It is a very bad system. As I said before, under a 19 years' lease, I could sympathise with a man making a mistake some years ago, but not now.

Rates.

24,689. Do you understand the system of rating in Scotland; I believe you have a graduated scale whereby land bears a certain amount, and houses bear a certain amount?—I would not like to enter practically into that. I do not say that I do not understand it, for, of course, I know myself in regard to my land what it has to bear. In offering for land a man ought to know what burdens it has, and he ought to add them to his rent—they are rent.

24,690. So that really a reduction of rates would mean an increase of rent?—Of course, if you have less rates to pay you could afford to give a little more for the land.

24,691. I understand that in Scotland you have a kind of graduated system whereby land pays a certain amount in the £, and houses pay a certain amount, and other kinds of property pay also different amounts?—Yes, I understand so, but I am not qualified practically to speak on that point. Of course, I only look at it from the point of view of the taxation which falls upon the farmer's shoulders specially.

24,692. Do you know how much the land bears of the taxation; how it is rated; whether it is rated to its full value, or half or quarter, as the case may be?—In the taxation which is put on farmers in the income tax schedules they are generally rated on one-third of their rentals.

24,693. I mean the local rates?—I could not say exactly.

Size of farms.

24,694. (*Captain Owen Thomas.*) What is the average size of the farms in your district?—They vary very much. In the Carse of Gowrie they are about a couple of hundred acres; in Strathmore where the land is easier perhaps they are a little larger than that.

Large and small farms compared.

24,695. Which has suffered the more, small farmers or large farmers?—As I said before, I think the small farmers have perhaps not felt it quite so much in this way, that they have laboured more themselves; whereas the large farmers have everything to hire, and so I think perhaps they have felt it more.

Reduction of prices and rents.

24,696. What would you say has been the average reduction in prices of all farm produce combined?—Within what time?

24,697. 15 years?—From 30 to 40 per cent. at any rate.

24,698. Have the rents been reduced in proportion to the reduction in prices?—It would not be possible to reduce the rents in proportion to the reduction in prices because the rent would disappear altogether if you were to do that.

24,699. I think you said that some of the land had been reduced from 3*l.* to 1*l.* an acre?—Suppose I grew some years ago four quarters of wheat at 2*l.*, that was 8*l.*; and now I grow four quarters at 1*l.*, that is only 4*l.*; the rent there is nothing, it disappears four times over.

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Rates.

24,700. What is the usual system of assessing farms in your district for local rates, poor rates, and so forth; how do you arrive at the rateable value of the farms?—I do not think they give us any deduction in the poor's rate; the proprietor pays half of the poor's rate and the tenant pays half.

24,701. I do not think you have understood my question. I am asking you how do they arrive at the rateable value of a farm?—They arrive at the rateable value by the rent inserted in the valuation roll of each county.

24,702. The rent of the farm?—The rent of the farm.

24,703. Any deduction made?—Not for those poor's rates, the school rates, and so on—they are charged on the full rent of the farm.

Importation of Canadian cattle.

24,704. About the Canadian cattle; what was the age of the cattle when you bought them for fattening purposes?—From two to three or four years old.

24,705. Did you buy them by weight or otherwise?—We bought them principally by the eye. I have put them over the steel yard.

24,706. What is the average price paid for them?—10*l.* or ten guineas.

24,707. And that, of course, would be very much less than home-bred cattle?—Yes, and the beauty of them is, that they fat very much quicker, what we call far more inside fat; they are better fattened than the Irish cattle, as a rule.

24,708. How long did you keep them?—These cattle that I speak of at ten guineas, we would need to keep them from 9 months to 15 months.

24,709. Were they in fairly good condition?—In fairly good condition.

24,710. Do you breed cattle yourself?—No.

24,711. Have you any idea as to what it costs an English farmer to breed store cattle?—No, but I am perfectly certain that he cannot bring up a two year old at 10*l.* profit.

24,712. Are you quite certain of that?—At 10*l.*?

24,713. Yes?—I do not think I can do it in Scotland, I do not know how they do it in England.

24,714. How much an acre is it for a good pasture?—Lowland pasture?

24,715. Good keep for bullocks or cattle?—There is a good deal of land let in the spring, grass parks, and they let all the way from 30*s.* to 3*l.* in some cases, and more, per acre.

24,716. How many head of cattle per acre?—It is pretty good grass that will graze a beast an acre.

The marking of foreign meat.

24,717. Are you in favour of marking foreign meat?—Yes, if it could be practically done; but it is surrounded with a great many difficulties, I think. If it could be done it is quite fair to mark it.

24,718. Would you mark the imported cattle that you fatten?—I do not know. Up to a certain time of the cattle being in the country, I should not think they would need to be marked.

24,719. Where would you draw line. Some people may keep them a fortnight, and send them to market?—I say that is surrounded with a great deal of difficulty.

Mortgages.

24,720. (*Mr. Everett.*) You recommended the system of buying farms in Scotland now and obtaining part of the money on mortgage?—Yes.

24,721. Can you tell me what interest a farmer buying land would have to pay for his money?—From 3 to 3½ per cent.

24,722. Are you also aware that the people who have bad land and mortgage it, taking great and little, are the people who have suffered more than anyone else?—But that was bought years ago; I am speaking of the present value of land.

Prices.

24,723. What you recommend will only be safe when prices maintain a steady level, if they continue?—If they come any lower it will be ruin to us all round.

24,724. Is it your opinion that steady prices are an advantage?—Of course.

24,725. And supposing prices were to rise somewhat, and maintain the rise, do you think labour would be

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able to take care of itself, and get its fair share of the rise?—Yes.

24,726. And would farmers, in your judgment, be benefited by the rise?—I think so.

Rent.

24,727. Your experience when you paid your highest rent was, that you did better than you do now?—That is quite clear when you take the prices of produce into account.

24,728 If prices continue to fall, you look for it that rents will have to go; that rent will have merely to disappear, as I understand; you say that further reduction of rent is what we have to look at?—And I believe that.

24,729. Would the total disappearance of rent, in your opinion, be a calamity or a blessing to the nation?—A calamity.

Scale of compensation.

24,730. I am rather inclined to think you differ there from some gentlemen who sit around this table. You spoke of a scale for compensation for feeding stuffs and manures applied to the land, is it not the fact that the quality of the land on which the feeding stuffs were consumed, or the manure employed, would have a great deal to do with what benefit it retained; would not that be a very material factor—the quality of the land itself—whether it retained the manure?—It would be a material factor, but of course the consumption of the same amount of cake on poor land would never make it good land.

24,731. You think that it would not improve it, that it would not make the money value for an incoming tenant from a large consumption of cake and corn on poor land that it would do by its consumption on good land?—I do not know; poor land would need it most, in order to increase its fertility.

24,732. Do you think it would remain for two or three years on light sandy land, for instance?—Certain classes of manure would not, but what we call crushed or half-inch bones, should remain for a considerable number of years.

Scheduling the condition of farms.

24,733. Several witnesses have advocated that the best system as between an incoming tenant and outgoing tenant, and for the protection of the landlord too, would be that there should be a full description of the state of every field when a farm is entered on, kept for comparison when that farm is quitted, the tenant to make good any deficiency, and to be recouped for what he had added to the cleanness or fertility. Would not that be about the best way that there would be of having land kept in proper condition?—Yes: but I am afraid it would be difficult to work into practice—it would lead to a great deal of difficulty in a settlement.

24,734. Do not you think that a competent valuer viewing a farm can judge what is due to the outgoing tenant or to the landlord, better than any Act of Parliament can? Is it not a matter that essentially requires judgment in respect of the soil and circumstances?—Yes, but in 9 cases out of 10 it would be very unlikely to show it at the beginning and end of the lease.

24,735. Do not you imagine that each decade has its valuers of equal competency?—Yes; but if you are going down to the state of the field, and have a man to go over it, it would need to be the same man, unless the land was very badly used. If a man were to allow it to go to wildness any competent farmer could tell that, but I am afraid it would lead to a great deal of difficulty in the actual working.

Land out of cultivation.

24,736. You said no land had gone out of cultivation in Scotland, and it was not at all likely to?—I do not think so.

24,737. I was given to understand that there was more uncultivated land in Scotland than in any other part of the British Islands?—You refer to the Highlands?

24,738. The moors?—I think the moors are better adapted to that than any other purpose. I would have no objection to their remaining moors; they bring in a good many English tenants with plenty of money, and the moors do more good in that way than in any other way. I do not call that uncultivated land, because it is not capable of cultivation.

24,739. You have plenty of land that is too poor, that is not worth cultivation then?—You could not cultivate the hill sides; you could not do it.

24,740. I was glad to hear you say how long-headed the farmers are?—We consider ourselves so.

24,741. You are sufficiently long-headed, I take it, to be able to understand that in agriculture price is a matter of very first class importance?—Certainly.

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Prices

24,742. Have you ever considered what price is—what is meant by price?—The value what we can get for what we can grow.

24,743. The money that you can get?—Yes.

24,744. The farmer makes money; he exchanges his produce for money?—Yes.

24,745. And does not anything that adds to the money side of the exchange affect him quite as much as anything that happens to the produce side of the exchange? Do not you think if anything happened to raise the value very much, would not he get less money?—Yes; to depreciate his money.

24,746. Are you aware that from the earliest times silver and gold have been the world's money?—Yes.

Bi-metallism.

24,747. And are you also aware that legislation for the last 20 years in one country and another has excluded the use of silver, and compelled the use of gold instead?—That is too deep for me, bimetallism. I really believe there is something in it, but I frankly own I do not understand it. I am a practical farmer, and do not know anything about it, and I have never made it a special study.

24,748. Are you opposed to money changes which artificially lower prices?—I am in favour of anything that will heighten prices so that I must be against anything that lowers them.

24,749. You are in favour of free trade in commodities?—Yes.

24,750. Does not it appear to you equally reasonable that there should be free trade in money and that other precious metals should have the same protection as gold money?—There appears a great deal of fairness in that.

24,751. Is not the excluding of one of the precious metals virtually protection?—Some people say it is, and some people say it is not.

24,752. The farmers are ridiculed when they ask it to be extended to their produce?—That may be so.

Labourers' cottages.

24,753. (*Mr. Elton.*) Most of the labourers' cottages belong to the farmers, do they not?—They belong to the proprietor, but they are let to the farmer.

24,754. How is that in the case of old-established villages where a lot of old labourers have cottages?—That statement excludes villages, but in Scotland the ploughman's houses, both married and single servants are let along with the land.

24,755. In the case of an old hamlet or village with cottages to which there may be rent not attached, to whom do they belong?—They generally belong to the proprietor.

24,756. And then they have been allotted to certain farms so as to give control to the farmer?—No, I am speaking of the servants only who are directly under the farmers' control.

24,757. With the exception of what I may call the old-established village cottages the system of agriculture is to stock the farm with a sufficient number of cottages?—Yes.

Labour.

24,758. Is the standard of labour well maintained now? You say you have sufficient labourers, and do they work, in your opinion, as well as they did a few years ago?—There are complaints; personally, I say that the farm servants are loyal servants.

24,759. I did not mean any imputation on their characters, but are they too old from all the young men going off the land?—There is an equal proportion of young and old men.

24,760. You do not notice any deficiency or change in that respect?—As a rule the young men have not deserted us.

24,761. And in England the complaint is the other way?—I understand that.

Payment of labourers in kind.

24,762. But when you pay the labourers a part of their wages in produce and kind has any question arisen about the Truck Act in connection with it?—No; I do not see how there can be. I understand the Truck Act is where the man makes profits out of supplying the labourers with the means of living; but instead of a profit I hold that the farmers get a direct loss.

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24,763. You suppose that the meal and other produce is supplied at the cost price?—Well, the majority of the farmers in Scotland keep cows, and give their labourers so much milk every day, and the majority of the farmers tell the miller to leave at the labourer's cottage half a boll of meal every month, so that they cannot make any profit out of it.

24,764. I especially did not ask about the milk, because I had in my mind something about its being refreshment and food, and the truck on the meal seemed a little doubtful?—Some farmers may send the meal to their labourers, but the majority give a standing order to the miller to leave the meal.

24,765. That is not extended to cheese; they do not pay in cheese?—No, in potatoes perhaps.

24,766. They would not make a profit out of potatoes?—We just give them a cart load or so.

24,767. That comes to a very little more than allowing potatoes as in the south?—It is 3*l.* or 4*l.* a year on an average.

24,768. You said you had great difficulties caused by the penal rents?—Yes.

24,769. They are not treated as *in terrorem*?—I have known of cases.

24,770. Was any appeal made in consequence, or was any trial held?—It went to arbitration; of course, if a man signs them he may be caught by them.

Condition of the labourers.

24,771. (*Lord Rendel.*) With regard to labour you were saying that with 25 years' experience of labour-paying wages had gone up from some 20*l.* or 25*l.*, to nearly 31*l.* or 32*l.*?—Yes.

24,772. And then the meal, and the milk, and the produce, you valued at 19*l.*?—Something like that, and a free house, and all other perquisites.

24,773. In fact, the average would come to something like a guinea a week?—Something like that.

24,774. Then you referred to the fact of a general improvement in the condition of labourers due to the lower prices?—The labourer has an advantage in having his living cheaper.

24,775. In fact, he is in a much better condition since, within your experience, of farming?—I certainly think so.

Quality of labour.

24,776. Do you consider that you get the benefit of a higher quality of labour in exchange for that increase?—I cannot say that we have any higher quality of labour. It is much about the same. We just need to do the same work on a farm as we did.

24,777. You do not find in farming you are recouped to any substantial extent for the increased cost of the labour by the increased value in the quality of labour?—No.

24,778. Or by the energy or intelligence of the men?—Perhaps the men are fully more intelligent than they were since the Education Act came into force, and we need more intelligence, because we have a great deal more machinery than we had in those days. But if you take a 200-acre farm to-day, and then farm it all, and have it all under the plough, you need as many labourers as you did then.

24,779. Therefore the cost of labour is absolutely higher?—It is absolutely higher.

24,780. And without any recovery on the ground of better condition of the labourer?—Certainly.

Prospects of farming.

24,781. (*Chairman.*) You renewed your lease lately for another 19 years?—Yes.

24,782. Did you take power to break it at the end of five years or not?—No.

24,783. Then you appear to estimate that at present prices you could get a profit?—It is rather a private matter. I did not intend to bring it up. But Lord Kinnaird will not be offended. I did it on the principle that I had brought the farm into very good condition, and three years from the end of the lease I thought it a favourable time to go into the question of renewal. Lord Kinnaird asked me to make an offer, and I made an offer for 19 years at such-and-such a rent. I had my farms in first-class condition, and I thought it much better to carry them on than to make a change.

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24,784. You think that at present prices you can make a profit during the 19 years?—I do not say that I can make a profit, but I hope to farm without loss.

24,785. Making interest on your capital?—If we get the changes that are promised in the monetary standard, I am prepared to make a big profit.

Tenant's capital.

24,786. What do you consider the capital you have embarked in this farm?—About 4,000*l.*

24,787. How much per acre is that?—From 10*l.* to 12*l.*

24,788. I think you said that was above the average, that most farmers were going in with less capital?—A great many of them try it, but I think you need 10*l.* or 12*l.* an acre to do well.

24,789. You think that the average farms are about 200 acres?—Yes.

24,790. How much capital would the young men that you spoke of, coming into farms of that size, have?—I cannot very well say, but I know that a good many of them have tried to go into it on perhaps 6*l.* and 7*l.* an acre, and then they have met with difficulties and lost some of their capital.

24,791. Would you think you could bring a farm fairly under cultivation for 8*l.* or 10*l.* an acre?—10*l.* is merely the minimum on arable land, to do justice to it.

24,792. Then a farm of 200 acres would require 2,000*l.*?—Yes.

24,793. And they are most ready to come into the farms?—They are ready to come in; whether they have capital or not I cannot say.

24,794. But I think you said one of the reasons for the farms letting was the difficulty of finding other investments?—Yes.

24,795. There is an inducement to come into farming because although the profit is low, still it is better than they can get elsewhere?—Yes, and they have it under their own control, and they do not get swindled; they have it in their own hands.

24,796. On the whole, it is a safer investment than trusting it to others?—Yes, I have known plenty of farmers—I know one farmer who has put his money into stock—they have a great deal of risk unless they manage it themselves.

24,797. But they have the alternative of taking their capital elsewhere?—Yes, but the accounts that we get from most countries just now, are fully as bad as they are at home.

24,798. So that on the whole many of these young men think they will do better in farming in Scotland?—Yes, they do.

Bailiff's salary.

24,799. What is the salary of a bailiff in your district?—A grieve, we call him.

24,800. Yes?—About fully 40*l.*, with a good many more perquisites than an ordinary man. He generally has the cows, and he gets the surplus milk, and a good deal more in some cases.

24,801. About double the wages of the labourer?—I would hardly say double.

24,802. Not double?—That is too high. If you put the ordinary ploughman's wages at 50*l.* a year, I think you would need to put it at about 70*l.* or 75*l.* for the grieve.

The witness withdrew.

Mr. A. Ralston.

Mr. Andrew Ralston called and examined.

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24,803. You are the agent to Lord Strathmore?—Yes.

24,804. Do you manage the whole of the property?—Yes; the whole of the Scotch property.

24,805. Of 22,000 acres?—Yes.

Particulars of estate under management.

24,806. Of which 15,000 are arable, and 5,600 are pasture?—Yes; chiefly hill ground.

24,807. And 2,000 acres are woodlands?—Yes.

24,808. What is the number of farms on the property?—152 farms. The rents of 35 farms run from 200*l.* to 800*l.* per annum, of 17 from 100*l.* to 200*l.*, of 22 from 50*l.* to 100*l.*, and 78 are under 50*l.*; they are small holdings.

24,809. What are those under 50*l.* a year; are they farms on which tenants can make a living?—Do you mean the small farms?

24,810. Yes?—They can make a living well.

24,811. What is the average size of those farms under 50*l.* a year?—I should think from 10 acres to 50 acres.

24,812. What is the lowest amount of land that a man could make a living out of?—A pair horse farm; 70 acres is a very good thing, but the farmers working themselves do make a living under 50 acres.

24,813. What has been the fall of the rents on the property?—22½ per cent.

24,814. Since when?—Since the depression began, I think, in 1879.

24,815. What has been the expenditure of the owner?—The expenditure is 27 per cent. of the rental.

24,816. Has that been more in past years, or lower?—Just about the same; more within the last 12 or 15 years, but not very much. I should say about the same for the last 20 years, the 27 per cent.

24,817. What is the total rental of the property?—The total rental of the property taking it at its highest was 23,300*l.*, and now it is 18,300*l.*

24,818. And the annual expenditure on improvements is about 4,800*l.*?—4,862*l.*

24,819. Then since 1879 has any interest been charged on those improvements?—No interest has been charged on those improvements.

24,820. Is land let on lease?—The land is let on lease. Some large farms are let from year to year, but generally speaking they are let on a lease of 19 years with the option of a break to either party at sometimes 5, 10, or 15 years.

24,821. Practically it is only a lease for five years?—Yes; for five years.

24,822. Have the rents been well paid?—They have been extremely well paid.

24,823. And no arrears have accumulated?—No arrears have accumulated, and indeed, arrears have been paid off.

24,824. Beyond the permanent repairs there have not been many abatements of rent?—There were abatements given at the time when the depression began, and all the farms have been re-let since that time to the old tenants or their sons.

24,825. Have there been many failures of the tenants on the property?—Only three, and those were not in connexion with the land, but in connexion with the conduct of the people themselves very much.

24,826. Have there been many changes of tenancy?—Very few indeed.

24,827. And have the tenants generally renewed their leases?—I may say they have almost altogether renewed them.

24,828. Almost always?—Almost always.

Effect of the depression: (*a*) owners.

24,829. What has been the effect of the depression in your district?—On owners it has been very great, and on owners of all kinds, large or small, absolute or limited.

24,830. Was that in the direction of the loss of rent?—Yes, and the large expenditure.

(*b*) tenants.

24,831. Well then, as to the tenant farmers in the district?—All classes have suffered, and I think all have suffered much alike.

24,832. They have suffered from the increased cost of production?—Increased competition and importation from abroad, reduction of prices, in fact.

24,833. Have the smaller tenants suffered less than the larger ones?—Much alike; although the smaller tenants have not suffered quite so directly, in consequence of having their families to assist them in the management of the land, as I have explained in my statement. You will see that that is done at the sacrifice of the interests of their children, whose remuneration consists chiefly in getting their food and clothes, but who would otherwise be receiving good wages as artisans, agricultural labourers, or domestic servants.

24,834. They remain with their parents?—They remain with their parents.

24,835. And that enables them to get through the bad times?—Yes.

(*c*) labourers.

24,836. As to the agricultural labourers of the district, what do you say?—I think, on the whole, their position has improved.

24,837. Have the wages increased during that period?—During the last 20 years they have increased from 10 to 15 per cent.

24,838. Was that mainly before the depression?—No, I think not. Wages have increased generally during the last 20 years, but if you go back to 30 years the increase is greater, I should think, fully 30 per cent. in that period.

24,839. But during the last 20 years they have increased from 10 to 15 per cent. to your own knowledge?—Yes.

24,840. And besides, the labourers have had the full benefit in the fall of prices?—Yes, in food and clothing and whatever they had to buy.

24,841. And their position must be a great deal better?—Yes.

24,842–3. You cannot say that they have suffered?—Their condition has very much improved.

24,844. (*Chairman.*) Has there been a reduction in the number of labourers?—Not on Lord Strathmore's estate, or in the whole district of Strathmore. I think there are the same number of labourers employed now as there were 20 years ago.

24,845. At what size of farm does the farmer begin to emply a labourer?—If he has no family he begins on a 70-acre farm.

24,846. To employ one labourer?—He employs a labourer.

24,847. And what does he employ on a farm of 200 acres?—Well, if it was wrought on the five-course system, 40 acres would be green crop, and he would employ four or five labourers.

24,848. Does the farmer himself work or not?—He does work. He does what is called in Scotland odd work. He repairs the palings or fences, or a little work of that kind, and takes the general supervision of the whole farm. I mean the medium and small farms.

24,849. Then the labourers not only gain in their money wages, but get the benefit of low wages, and I think you said improved cottages?—Yes, improved cottages too.

24,850. And they have had the benefit of free education for their children?—Yes, free education for their children.

24,851. Therefore the labourers have got considerable advantage?—Decidedly so. Labour is very good.

Quality of labour.

24,852. Has the quality of labour been maintained?—I think quite. There has been some difficulty within recent years, servants breaking their engagements, and leaving their situations, but I think that has gone past now. I think they have got a lesson, and they do not do it so much as they used to do; that is, young men (not the married men who have houses) who live in bothies.

Cottages.

24,853. Has the landlord spent much money in improving the cottages?—Largely.

24,854. Of that sum of 4,800*l.* a year, has a good deal been spent in cottages?—A good deal in cottages. A cottage for a labourer costs 160*l.* to 180*l.*, with three apartments, and an outhouse, a coalhouse, and a little scullery.

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24,855. (*Viscount Cobham.*) Do those cottages stand by themselves?—Yes.

24,856. What would a pair cost?—About 350*l.*

24,857. (*Chairman.*) Has any land gone out of cultivation?—None whatever.

The letting of farms.

24,858. When farms are vacant is it possible to let them?—Yes. We generally have plenty of applications, but as a rule we always give the offer to the old tenant, and we generally agree, almost always. I do not think I have turned off a man for 35 years.

24,859. If a death occurs, or the tenant wishes to go, what do you do?—If a death occurs, or the tenant wishes to go, we sometimes have private offers, and if not we advertise.

24,860. You find no difficulty in re-letting?—We get a little more rent than before, it is hardly appreciable, but it is up to 5 per cent. more.

24,861. That shows there is an increased demand for farms?—There is an increased demand only within the last two or three years; before that we had some difficulty, but the rents were reduced to conform to the agricultural prices, as we thought.

Tenant's capital.

24,862. Do you find men of sufficient capital to take the farms?—Yes, when we take a man as tenant of a farm we inquire particularly into his means. I would not have a man without capital. We contend that a man wants about 10*l.* an acre; of course it depends upon the quality of the land. If the quality of the land is very good there would be more cattle to keep, and more money per acre would be required.

24,863. What is the amount for average land?—10*l.* would do it. It used to take 12*l.*, but the price of cattle is reduced very much.

24,864. The same amount of capital goes further then?—It goes further.

24,865. Is that on account of the low prices?—Yes.

24,866. So that a tenant comes in at at some advantage?—He comes in at some advantage.

24,867. (*Mr. Channing.*) You have no difficulty in meeting tenants with that amount of capital?—No difficulty whatever.

24,868. (*Chairman.*) Then with regard to the increased spending power of the agricultural class, I suppose that all the tenant farmers have their means impaired?—The tenant farmer's capital is certainly decreased, I think—it is diminished very much. But in the case of the labourer it is increased.

24,869. But still the profits of farms do not appear to be reduced to a difficulty in getting new tenants?—There is no difficulty in getting tenants.

24,870. Men are prepared to come in with sufficient capital at the rents asked?—There is no difficulty just now.

Foreign competition.

24,871. How do you account for the low prices?—Foreign competition very much, and large importations into the country, and diminished demand on account of bad trade.

Free trade.

24,872. Do you think that foreign competition has been fostered by the artificial tariffs in foreign countries?—Yes, I do.

24,873. You go on to say in your statement that it is also "encouraged by the apathy of this country, and its "bigoted adherence to the theory and its treason to "the practice of free trade"?—I am sorry to say I think that is the case.

24,874. What do you mean by that?—I think they adhere to the theory, but certainly depart from the practice of free trade, in consequence of having large duties imposed upon all our goods which are sent out to America and other places, while we allow our ports to be opened to them.

24,875. Then, in other words, you object to free trade?—I rather go in for free trade all round. I am a free trader if you do it all round—a fair field and no favour.

Retaliatory duties.

24,876. Provided you cannot get it abroad, what would you do here?—Put on retaliatory duties to a certain extent. We will take America. If they allow our wool to go in free, we will take their mutton. If they do not, we will put a duty on their mutton; and if they allow our potatoes to go in, we will take their cattle, and so forth as the case may be.

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24,877. The effect would be that consumers would have to pay more for their food?—And they would be better able to do it.

24,878. What would be the effect upon the labourers?—I think it would be a very great benefit to the labourers. They would get higher wages, and it would make very little difference in their living expenses.

24,879. But they appear to have got higher wages under the present system?—They have; but they would get higher wages under the other system.

24,880. Higher still?—I am quite sure they would be higher still.

Tenure.

24,881. With regard to the subjects which have been complained of by the agriculturists, take first the system of land tenure?—With reference to this system of land tenure, I do not know that there is much to complain of. In letting a farm to a tenant, I always consult him with reference to the way in which he is to manage his farm. It depends upon the farm. Some farms require a certain rotation; but probably I had better go on with reference to the system of tenure. I think the majority of farmers would prefer to make their own bargains.

24,882. Is there any demand in your district for the interference of any tribunal as between landlord and tenant?—There is no demand whatever for that.

The Agricultural Holdings Act.

24,883. Then with regard to the working of the Agricultural Holdings Act, what is your opinion about it?—There is not much to complain of, I think, further than that I have to express a grievance which the landlords have, and that is that there is no power under the Act to enable the landlord to recover damages for deterioration beyond the compensation which is paid to the tenant. Now, in my case I know,—I have some in my eye just now — that farms have decreased in value by 10 to 20 per cent. on the letting value, from the bad management of the sitting tenant. I am not talking about Lord Strathmore's estate just now, but about the country generally; and I know a case of this kind where a farm has been reduced in letting value from 10 to 15 per cent., that the tenant has got large compensation for unexhausted manures and feeding stuffs.

Damages for deterioration.

24,884. What change would you recommend?—Well, both tenant and landlord should be put on the same footing—that if there is deterioration the tenant should pay fully for it, and that if there is an increased fertility the landlord should pay for it.

24,885. (*Viscount Cobham.*) Cannot the landlord counter-claim in Scotland?—Only to the amount of the tenant's claim, not beyond it. I know farms where claims have been paid for compensation, where the letting value of the farm by mismanagement has been decreased from 10 to 20 per cent., and if you take that for a 19 years' lease on a 300*l.* rent, that is 30*l.* for 19 years; you see what that comes to owing to the bad farming.

24,886. (*Chairman.*) Does your proposal involve a careful inventory of the state of the farm at the commencement of the lease?—No, that is difficult to get at, I do not see how it is to be done—an inventory at the commencement of each lease.

24,887. How are you to ascertain at the close of the lease whether the farm has been deteriorated or improved?—I know the farms 19 years ago, when the present tenant went there, and I know them now.

24,888. That is all very well for you in the position of agent, but in the matter of a dispute between the landlord and tenant how is it to be determined whether the land has deteriorated?—Leave it to a man who has known the farm 19 years ago, and who knows it now, that is the only way to get at it.

24,889. Do you think it would be easy in each district to get a competent man, to know the condition of the farms?—I think it would be.

24,890. (*Mr. Channing.*) Would you not require them to state the condition on paper at the outset?—That would be rather vague, because one man might call a very badly managed farm good husbandry, and another man have a very different idea of good husbandry.

24,891. (*Chairman.*) You do not think it practicable?—No.

24,892. It would all depend upon you, who knew the condition of the farms 19 years ago?—Quite so.

Law of distraint.

24,893. With regard to the law of distraint, what do you say?—I do not think that has been a benefit to the tenantry of Scotland.

24,894. (*Mr. Everett.*) You mean the abolition of it?—Quite so.

24,895. (*Chairman.*) Would you revert to it again?—I think it would be an advantage to the small holders; such people as ploughmen who want to take farms, it would be an advantage to them.

24,896. Would you re-establish it now that it has been done away with?—It is of no importance.

Slaughter of foreign cattle.

24,897. With regard to the sale of imported goods as home produce, what would you say?—I am of opinion that as soon as there is any reason to suspect that we are importing diseased animals from abroad, they ought to be slaughtered on debarkation. I think we are all at one on that point.

Railway rates.

24,898. And then with regard to railway rates?—I have nothing to complain of in regard to the railway rates so far as they are applied to the produce of the country. But I do complain of foreign produce being carried at a cheaper rate than we pay.

Restrictions on cultivation.

24,899. Next with regard to restrictions on the methods of cultivation. What is the practice of the estate under your management?—I cannot see very well how you can get on without certain restrictions, because a man when it comes to the end of his lease may leave the whole farm under the plough, and we all know that would be ruinous to the farm. If a man becomes bankrupt in the middle of his lease, he might leave his land in that state, and that would be a ruinous business for the farm and the landlord. In fact, when letting the farm, I always consult with the tenant as to the mode of cropping he would like to have, and he generally gets that—almost always gets it. I put a restriction on having two white crops in succession; I will not allow that.

24,900. Did I understand you that you do not enforce these restrictions except towards the end of the lease?—I never had any complaint about the restrictions.

24,901. Never any complaints?—Never any complaints. It may be near large towns, but we have no complaints in our district about that.

Remedies for the depression.

24,902. What are your proposals with regard to the remedies for depression?—Partial remedies would be the reduction of rates and taxes, the granting of State loans at considerably lower rates than at present for the purpose of agricultural improvements, the equalisation of railway rates on foreign produce, and reductions of burdens upon land, and the prevention of foreign agricultural produce such as beef or mutton being sold as home produce. But these are partial remedies.

24,903. What are the others?—Something more is required to restore agriculture to a state of healthy prosperity, and that, in my opinion, is free trade all round, or something equivalent.

24,904. You suggest therefore that there should be retaliatory duties?—Yes.

24,905. Upon all agriculture?—If we cannot get foreign countries to agree.

24,906. Upon all agricultural produce?—Upon all agricultural produce.

24,907. Do you think that is at all likely to be carried out?—I should like the Legislature to try it.

The Agricultural Holdings Act. Claims and counterclaims.

24,908. (*Mr. Elton.*) You were speaking about the counterclaims under the Agricultural Holdings Act. I thought for a moment you were discussing the question of set-off and the counterclaim. The landlord's set-off is limited by the amount of the tenants' claim, is that so?—Quite so.

24,909. Because that is in the nature of a set-off. I understand from the nature of the Act, and the usual interpretation of it, that that does not apply to the counterclain; the landlord's counterclaim may exceed the tenant's claim?—That is not my reading.

24,910. I do not know what that is. But the tenant claiming compensation, shall give notice in writing to the landlord of his intention to make the claim. Where the tenant gives such notice "the landlord may, "before the determination of the tenancy, or within "14 days thereafter, give a counter notice in writing "to the tenant of his intention to make a claim in "respect of any waste or breach of covenant or other "agreement," and then it is considered that "if the "tenant's claim falls through"—this is Mr. Jeudwine's book)—"or if he withdraws it, the landlord may go on "with the reference and obtain compensation." It does not apply to the Scottish Act. You are reading from the English Act?—That is very different from Scotland.

24,911. Certainly in our English Act there is the set off and counterclaim?—We have not that; we can only get compensation for deterioration up to the tenant's claim, and no further.

24,912. That is not the case in this country at any rate?—I thought you were reading the English Act.

24,913–15. But there is no distinction between set-off and counterclaim in your estates?—No.

24,916. The set-off in England is a common thing?—Yes.

24,917. Do you think that the law in Scotland ought to be altered in that respect?—I think so. It ought to be altered.

24,918. To the same effect as the Act I was reading, or to that effect?—Yes, to that effect.

Cost of labour.

24,919. Only one more question. The landlord, the farmer, and the labourer between them, I suppose get what comes out of the land, the profit. You have told us that the labourer's share has increased very much?—Yes.

24,920. That seems to involve a very great diminution of one of the other two?—To a certain extent it does. But still, the increased wage comes from the employer, but the food does not, of course.

24,921. But I say the difference comes from the other two, or one of the other two?—Yes.

24,922. Do you consider that a very large proportion, or a small proportion, or what proportion of the loss of the landlord, is caused by this increase payment of the labourer?—It is very difficult to say.

24,923. Do you think that all the depression is due to that?—It ultimately will fall, I think upon the landlord.

24,924. Do you think that 27 per cent. fall in rent corresponds to the increased profit going to labour?—No.

24,925. Twenty-seven per cent. I think you said?—Twenty-two-and-a-half per cent.

24,926. Do you think that is accounted for by the rise in the profits paid to the labourer?—I do not quite follow you.

24,927. We said there were three people, the landlord, the farmer, and the labourer, who between them had the whole of the profits?—Yes.

24,928. And then the labourer has more now than he had a few years ago?—Yes.

24,929. And that rise in his share would come out of the other two, or one of them?—So far as the wages are concerned.

24,930. Do you think the landlord's loss of 22 per cent. or a great portion of it, is due to the increased payment to the labourers?—No, I do not think so at all.

24,931. You have given us much in the way of premise, how do you get away from the conclusion, and say that the landlord's share, or rather the reason of the landlord's share of the rent having decreased is entirely from the want of demand, and the lower prices that the farmer is getting for the produce? You think none of the difference is due to the labourer?—Very slight, a trifle in comparison to the fall of prices of farm produce.

24,932. That is to say the price of labour—that the rise of say 20 per cent. in the sum contributed to labour—makes a very small difference in the rental?—A very small difference to the landlord; it makes a large difference to the farmer, and ultimately it would probably fall on the landlord at the end of the lease, because the tenant would take into account the increased wage in offering for his farm.

24,933. Are we to take it that it comes from the landlord?—Yes, quite so.

24,934. But that does not account for much of the 22½ per cent.?—No.

24,935. That is a sum in arithmetic—that can be worked out?—I quite understand.

24,936. It can be worked out?—Yes.

24,937. But your opinion is that it cannot be worked out in that way?—No.

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Scheduling the condition of farms.

24,938. (*Mr. Everett.*) With regard to the system we have had recommended to us by many, of entering on a farm with a written description of every field, and leaving it by comparison with the same, you seem to see difficulties rather in the way, I think?—I see the difficulty of unrestricted cultivation a great difficulty. In fact, so great a difficulty is it that it would ruin the country almost if it were carried out by farmers. On the other hand, though, we have a lot of very good farmers, and I do not suppose they would take advantage of it. But there are men who would take advantage of it when it comes to the end of their lease.

24,939. With regard to the cleanness of the field, there would be no difficulty if a competent man went over the farm to see that each farm was clean, or only middling, or very foul. As regards cleanliness, they could divide the land into three classes, could not they?—No.

24,940. Do you not think that an experienced man, if he looked at the stubbles, by the indications that there would be could not say whether the land was in good manurial condition, or run out?—It is more difficult to do the dirty farm, with regard to the manurial value, than it is for a clean farm—much more difficult. The land has a different feel altogether. A field in fair condition, and very dirty, has a very different feel from what the same field would have if clean.

24,941. You do not often see high farming and a foul farm go together?—Not often. But I have seen a field in very fair manurial condition very dirty.

24,942. You think there would be practical difficulties in the way?—There are difficulties in the way, but the difficuties might be overcome. I do not think it would tell for much.

24,943. For many of us the count at the entrance and exit would be the fairest to both parties, the tenant paying for deterioration and being paid for improvements?—That is what I think.

Rates.

24,944. Can you give us the system of arriving at the local assessment for local rating in Scotland? I think you sat upon the assessment committee?—Yes, and I do not know if you have it in England, I rather think not, but we have a valuation roll printed and published in the country, and that valuation roll is the basis of assessment.

24,945. And what is that—is it the rent?—All the rent, and if interest is paid in improvements that is entered also in a different column—the rent in one column and the interest on improvements in another, and that is the basis of the assessments made.

24,946. Are all the local rates dealt with in that way?—Yes.

24,947. Do you make deductions?—We make deductions when we assess. For some purposes it is calculated on the gross rental, and others, again (for Poor Law purposes, I think) there is a deduction made, but no deduction is made for other assessments.

24,948. Do you charge at a different rate in the pound on a farm, for instance, and a dwelling-house, or a shop or a factory?—Not unless in a large town; in the country districts, in small villages, with perhaps 300 or 400 inhabitants, we do not make any classification; we do not classify them. We charge the tenants of those houses in the same way as the farmers and landlords—all one classification. Where steam power factories or anything of that kind, or trades of different kinds are carried on, we have to classify them; probably into two or three classes, as the case may be.

24,949. In this case is it in the power of the assessment committee to adopt an arbitrary classification?—The whole power is left to the parochial board, the board with the management of the poor. So far as I know they are only classified under the Poor Law Act; they are not classified under the Local Government Act at all. You take the valuation as the basis of all assessments of consolidated rates.

24,950. That is, the classification is chiefly made for Poor Law purposes?—Yes.

24,951. (*Mr. Gilmour.*) The Public Health Rate?—Yes. That was administered by the Poor Law authorities in former days, but not now.

Importation of Canadian cattle.

24,952. (*Mr. Channing.*) Have you expressed any opinion as to the importation of Canadian cattle?—I do not know whether that has been mentioned. The only opinion I expressed was the general one that if disease prevailed in Canada, or there was a suspicion of disease, the animals should be slaughtered on debarkation.

24,953. (*Mr. Chaplin.*) If there is a suspicion of disease?—Yes.

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24,954. (*Mr. Channing.*) Can you give any evidence on the profits of Canadian cattle as compared with other store cattle?—Unfortunately I cannot personally. I am rather at variance with Mr. Hutcheson on that, but I have no personal knowledge of it.

The Agricultural Holdings Act.

24,955. About the Agricultural Holdings Act; you say there is a good deal of competition for the farms; so I suppose disputes between the tenants and landlord do not frequently arise, owing to this competition for farms?—Generally in Scotland there are very few changes, and it is only when changes occur that the Agricultural Holdings Act comes into operation.

24,956. Then there is always an adjustment between the outgoing and the incoming tenant?—As a rule, the proprietor and tenant manage to arrange these matters themselves; at least I have never had a case; I have had no case in all my experience of going to arbitration under the Agricultural Holdings Act.

24,957. You have had no farms in hand?—I have had no farms in hand, I am glad to say.

Compensation for deterioration.

24,958. Your idea, I understand, is that the landlord should have compensation for general deterioration of the farm by bad cultivation, and that the tenant should have compensation for increased fertility?—Decidedly so.

24,959. Owing to good cultivation?—Yes.

24,960. So far as I understand the Scotch Agricultural Holdings Act, there is a limit to the landlord's counterclaim?—That is the objection I have to it.

24,961. (*Chairman.*) In the English Act he can go beyond the claim of the tenant on any question, but in the Scotch Act the landlord cannot go beyond the claim of the tenant?—That is so.

24,962. (*Mr. Channing.*) That is the claim that I was asking about; whether there is any provision in the Scotch Act—I cannot find it—which does limit it beyond the four years at the close of the tenancy?—There is no claim recoverable beyond the amount that is paid to the outgoing tenant.

24,963 Is that in the Scotch Act?—Yes. I think I am right in that.

24,964. I cannot find any such provision to limit the landlord's counterclaim?—It is limited to the extent of the claim of the outgoing tenant.

24,965. Is that the practice of valuers?—Yes. The amount of compensation payable to the tenant shall be subject to deduction of any sums due to the landlord, but the landlord cannot go any further.

24,966. (*Mr. Gilmour.*) The Scotch Act mentions what he can do?—If he has exceeded the amount payable to the incoming tenant, the landlord can have no claim, except at common law.

24,967. (*Viscount Cobham.*) Only by deduction?—I think that is quite clear; that is held so. I have been arbitrator under the Agricultural Holdings Act, and I know that the landlord cannot recover more than the tenants claim.

24,968. (*Mr. Channing.*) But the counterclaim includes the theory of waste, which is practically unlimited compensation?—But you must recover them at common law; you cannot recover them under the Agricultural Holdings Act.

24,969. There seems to be something in the practice of the Scotch law which is quite different from the practice of the English law?—Yes.

24,970. (*Viscount Cobham.*) You can claim more?—You can claim more, but you cannot recover more.

24,971. (*Mr. Channing.*) You can in England?—I believe so.

24,972. (*Mr. Clay.*) You can claim under common law?—If we are to pay a claim under one law, we ought to be able to recover by counterclaim under the same law.

24,973. You have two claims?—But that puts us to great expense. It is a simple thing. If the Agricultural Holdings Act gives a tenant power to claim a certain amount of compensation for unexhausted manures, &c., if that tenant has deteriorated the land by bad management, we ought to have the right of claiming under the same law for the deterioration if it is beyond the claim payable to the tenant.

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24,974. (*Mr. Channing.*) Then your opinion is that the Agricultural Holdings Act to work fairly and conveniently for all parties ought to cover all the incidents of both sides?—Yes, of both sides.

24,975. Could you give us any evidence as to the working of the 1887 Act, introduced by Mr. Munro Ferguson to establish the single referee principle?—No, I have no experience of that.

Leases.

24,976. May I ask whether the leases on the estate which you represent have a break in them?—Yes, whenever the tenant wants a break in the lease we give it, and if he wants it for 19 years he gets it; it depends very much upon the tenant. I ask him, "What do you want?" and he says, "I want a 19 years' lease with a break," and he gets it; and if he wants it for the 19 years altogether without a break he gets that.

24,977. (*Viscount Cobham.*) It is a break on either side?—Yes, with notice to quit.

24,978. (*Mr. Channing.*) Has that become more usual?—Rather more usual of late since the depression, and I think it is a very good plan too. The rent may be revised every five years in that way.

Labour.

24,979. (*Mr. Chaplin.*) With regard to what you were saying about labour, have there been any improvements in labour-saving appliances introduced in recent years into your part of Scotland?—In machinery there have been, but nothing else.

24,980. The total amount of labour employed then on the farms where machinery is employed is somewhat less than it used to be?—In harvest time it is, but not generally throughout the year.

24,981. Take the farming year through there is as much labour employed, you mean to say, as there used to be in former days?—Quite.

Retaliatory duties.

24,982. In regard to your proposed remedies for agricultural depression, I observe that you suggest that what is most required is free trade all round, or something equivalent to it; what do you mean by something equivalent?—It means a great deal; I mean if we had free trade with other countries we would be able to live. We want a fair field and no favour, and if we had free trade with other countries, if other countries will allow us to send our produce to them free of duty, we would do the same to them, but unless they did so, we ought to put on a retaliatory duty.

24,983. On all the goods that are imported, do you mean, or any particular goods?—Certainly; for instance what I mentioned before. If America would permit our goods to enter its ports free we would give them the same privilege.

24,984. Do I understand what you mean is this, that where any foreign country imposes a duty upon any agricultural produce in this country being imported free that you would retaliate by imposing duties on the agricultural produce coming from those countries?—I would, should they refuse. That is my meaning.

24,985. That is your suggestion as a serious remedy for agricultural depression?—Yes.

24,986. Then, I think, you propose to deal with what you imagine might be opposition to that proposal?—Yes.

24,987. What are your views upon that point?—Well, I think there might be great objection to it amongst certain classes; I have no doubt there would be.

24,988. What classes do you refer to now?—There are many classes who would object to it; I think that the manufacturers might object to it in some way, and there are others. I have no doubt shippers might.

24,989. You say something about shippers, and if the shippers object to it, what is your reply to them?—My reply is that I do not think that agriculture should be sacrificed for other interests. I think that it is one of the largest and most important interests of the country, and I do not see that it should be sacrificed to benefit other interests.

24,990. Do you hold that is what is occurring at the present time?—I do.

Cottages.

24,991. (*Mr. Gilmour.*) You spoke of the cost of cottages. Does that mean the landlord finding the stone, and finding the lime?—The landlord finds the stone but not lime.

24,992. Do you take that into account in the calculation of the cost?—Well, the landlord gives the stone.

24,993. But the contractor quarries, and the tenant performs the cartage?—Yes. If you count the value of the stone and what the tenant carries, it would amount to something like 15 per cent. more.

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Condition labourers.

24,994. With regard to the labourers there has been something said as to the improved manner in which they live, does that apply chiefly to their food, or to their style of clothes, and other matters?—More to the clothes and the food I think.

24,995. Has the food of the labourers altered much in the last 20 or 30 years?—It has altered very much for the worse, they are living more on tea, and loaf bread, whereas in former days they had good porridge and sweet milk.

24,996. Is that affecting the physique of the labourers?—I do not think that the labourers are as strong and healthy now as they were.

Leases.

24,997. You speak of breaks in those 19 years' leases, has your experience not been that that just means the end of the lease as a rule, that he wants a new agreement entirely?—No, if there is a break of the lease, and it is not taken advantage of the lease goes on, up to the natural termination.

24,998. I understand that; but at all those breaks has it not been your experience that the tenant looked upon it as an occasion to get a great deal more done?—No, because the obligation in the original lease holds good for improvements, if they do not take advantage of the break, they must abide by it all the same.

Scale of compensation.

24,999. Do you consider that a scale agreed upon in the lease, what is called a fair and reasonable agreement does not simplify very much the working of the compensation at the end of the lease?—Very much indeed. I think that it is much better than going out under the Agricultural Holdings Act.

25,000. Do you think it would be advisable to get some scale laid down varying with different districts which would be applicable to all leases given in those districts, and upon which scale compensation would be given to deal with it legislatively?—I do, and I might tell you that before the Bill was brought into Parliament some years ago, I prepared a scale of compensation for leases on Lord Strathmore's estates. I drafted out the scale, and his Lordship approved of it, and then we asked eight or nine of the principal tenants on the estate to meet Lord Strathmore, so as to compare notes over it; this scale was approved as amended by the tenants, and it is in operation just now, and they are quite satisfied; it was in fact their scale, made with some alteration to meet their views. I have never had the slightest difficulty in dealing with the tenant when he has gone out. We never change a tenant if there is anyone to succeed him.

Co-operation.

25,001. Has co-operation made any headway amongst farmers?—Not in my part of the world.

25,002. Do you consider it is possible to do away at all with the labour of the middle-man?—I think it would be a very good thing if they could.

25,003. Do you think that there is any practical mode of carrying it out so that it could be done?—I do not see any difficulty in it myself; I think it could be done.

25,004. But you have no examples to give in that part of the country?—Not in that part of the country.

25,005. Have you anything at all further to put before us in regard to helps in these times of depression?—No, nothing, I think.

25,006. No main remedy?—No remedy at all, except better prices.

The Agricultural Holdings Act.

25,007. (*Mr. Clay.*) I suppose I may say that you agree with the principle of the Agricultural Holdings Act?—Yes, to a large extent.

Scale of compensation.

25,008. And you founded the scale and you gave that to tenants upon that principle?—Our scale was arranged before the Act came into operation, and before the Bill was brought in. There was a talk about it, but it was two or three years before the Bill passed.

25,009. Was the late William Smith of West Drums one who was consulted?—No, he was not.

25,010. But he was employed?—No, he was not employed. I do all these things myself.

25,011. You made the scale yourself?—With the concurrence of one man paying nearly 3,000*l.* a year rent at the time, and all the large farmers I took into consultation.

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25,012. For the guidance of the Commission can you hand in that scale?—I could; I have not got it here; I think I gave it to Mr. Hope.

25,013. We should like to have it for the appendix of this report; you will hand it in to the Secretary?—Yes.

Protection.

25,014. Regarding Protection, you say it would give (*see* Appendix) the labourer more wages if you had Protection?—That is so.

25,015. What was it in the old Protection times; did it increase the labourers' wages?—In the olden times there was not such a demand for labour as now; in the olden times there was not so much land under crop, as you know.

25,016. But you will also know that the labourers' wage then was not half what it is now?—That is owing to the demand for labour.

25,017. The wage was not half under Protection, and the labourer paid a deal more for the articles that he used for his labour in the shape of food and clothing?—I am quite aware of that.

25,018. If that were the case of Protection in the olden time, how is Protection now-a-days going to improve the labourers' wages?—Because everything has advanced so much in this country; everything has very much advanced to what it was then, and there are greater demands for labour than then. In those days a larger extent of the land in Scotland lay longer in grass; probably from a seventh to an eighth; you have two men employed now for one man employed before.

25,019. If the wheat land is going out of cultivation?—The wheat land of Scotland is a very small proportion of Scotland, a very small proportion indeed. If you take the Eastern Board of Scotland, you have practically the whole of the wheat land in the county. If you take three-fourths or four-fifths of Scotland, you will find that it is not a wheat-growing country.

25,020. You think if you had Protection, the labourers' would go up?—I have no doubt there would be much better demand for the produce of the farm.

Law of distraint.

25,021. Regarding the law of distraint, how is it to benefit the farmer?—I do not think that it benefits the farmer, the abolition of it, I mean.

25,022. Did it benefit the landlord?—Not a bit, it is a matter of no importance.

25,023. You say it sometimes made the landlord bring forward his rent 6 or 12 months?—In Forfarshire a farmer was in his farm 15 months before he was asked to pay the first instalment of the rent, and it is now taken at 6 months and 12 months; the man entering a farm now requires for the amount of his rent more capital than he did in former days.

25,024. But on the estates which you manage no change has been made in the period of collection of rents and no loss has been sustained therefrom?—Quite so.

25,025. So that the law of hypothec has not damaged you?—That is a very small portion of it. But it has prevented the ploughman and the industrious man from becoming small tenants from the fact that it would require a year's rent more to enter a farm than before.

25,026. But you have not lost under the abolition of hypothec?—There has been no loss.

25,027. Neither you, nor the landlord, nor the tenant has lost?—But these industrious men cannot enter a farm with the same capital as in former days. You are speaking of a small portion of the county; you are talking of a small portion of land in Forfarshire but I am talking of the whole county.

25,028. I am talking about your own estate?—That is a very small portion, you know.

25,029. How does it affect the general trader who supplies his goods to the farmers in the shape of cakes, manures, and grass seeds?—I am perfectly certain that the traders under the old system got their accounts as well paid as they do now, and better.

25,030. When the tenant gets bankrupt, what then? There are not bankrupt tenants; we do not know what bankrupt tenants are.

25,031. Not on your estate?—Not in Forfarshire or the east of Scotland, or in Fifeshire, very few.

25,032. We have evidence where the general trader has got a shilling in the pound for the material supplied to the farmer?—I do not think so. I think that they got their payments as well paid as now, because there were no bankruptcies.

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25,033. Your estate must be a model estate?—No, I may say that the landlords in Forfarshire have done very well; they have met the depression in a very good spirit.

25,034. I grant you that. I know they have done well; but is it all over Scotland the same?—I have had considerable experience in valuing land from John o'Groats to the Tweed, and in my experience and knowledge of 15 or 20 years I can say that the landlords have met the tenants in a very fair spirit.

25,035. (*Mr. Giffen.*) I understand from you that the labourers in your part of the country are also better off than they were 20 years ago?—They are.

The depression in agriculture.

25,036. And the tenants, although they have suffered to some extent from depression, have not suffered to the extent that there are any bankruptcies amongst them?—There are no bankruptcies.

25,037. And no great changes; they still go on with their farms, so I suppose they are doing tolerably well, but not so well as they did some years ago?—They have been making the two ends meet, but I do not think they are making money; they have a fair comfortable living, but not more than that.

25,038. The landlords are still getting some rent out of the farms, and you have no derelict farms?—No derelict farms; none whatever.

25,039. Do you think that the state of circumstances such as you have described can be spoken of as depression in any proper sense of the word?—I think that the farmers are only getting their living for their labour, and that probably some of them with 10,000*l.* invested are getting very little interest, whereas in former days they got a good profit.

25,040. Still there are "ups" and "downs" in all trades, and if this is only a "down" which is to be compensated later on or has been compensated in past time when things were better, you cannot describe it as a very bad state of things?—But when depression goes on for 17 years it is a very long period. We should like to see the "ups." We have had "downs" for 17 years.

25,041. But still these are things that occur in a great many other trades?—But not for such a lengthened period; I do not think you can put your fingers on any trade that has suffered so much as agriculture has done just now.

25,042. Still you have not investigated the case of other industries?—I know that the manufacturing trade of Dundee has sometimes a deep depression, but it is only for a year or two.

25,043. But they have had great "ups and downs"?—They have, but they have good years occasionally, which make up for it.

25,044. Still I assume that you have had one or two good years in agriculture since 17 years ago?—Not certainly since 1885.

25,045. No good years?—Not what you called good years in the good old days.

25,046. But still you had years that were tolerably good?—There were years when perhaps they were earning a little interest for the money, but I do not think they were getting 4 per cent. or 5 per cent. which they ought to do in a rather critical business.

25,047. Still of the three persons interested in agriculture the most numerous class, the labourer, is doing very well?—Yes, they are doing very well.

25,048. And the next class, the smaller class, but still the next largest class, the tenant farmer, makes a living?—Makes a living by the help of his family.

25,049. So that practically the class which suffers from the depression is the landlord who receives less rent than he did before?—Well I do not see a bright spot in his future at all. The tenants who have leases may take advantage of the breaks in the leases and in consequence now they can revise their rents, and they can get their farms at a smaller rent if necessary.

The currency and reduction in rent.

25,050. What is the average reduction of rent in your neighbourhood?—The average reduction of rent in our county is about 25 or 30 per cent. Lord Strathmore's is only 22½ per cent., but his estate was always moderately rented. You must take that as a certain basis

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25,051. On the other side, you have got this fact before you that the purchasing power of the sovereign has very largely increased; we have evidence before us that it is something like 50 per cent.?—Yes.

25,052. Is not the landlord who receives 30 per cent. fewer sovereigns better off than he was before, because the fewer sovereigns that he gets have more purchasing power than the larger number that he got before?—That would be very well if things would remain as they were; that is to say, if the landlord had not to spend money in improving his property; but when a man spends 27 per cent. of his annual income in improving his property, it comes to a very different thing. Take Lord Strathmore's 27 per cent. of his rental spent every year on improving his property and for which he does not receive a brass farthing; and a 22⅔ per cent. reduction that makes 49½ or 50 per cent. of his income is taken away as compared with what it was 20 years ago.

25,053. Then the reduction of rents is not really 30 per cent., but is more like 50 per cent.?—It is more like 50 per cent.

25,054. That is what it comes to?—Yes.

25,055. But even a 50 per cent. reduction the dimished money that he has received is almost equal in purchasing power to what it was 20 years ago?—I doubt it very much. I should like to see the old times with the same value of money.

25,056. Then you do not agree with the evidence which some of the gentlemen have been giving. Perhaps you have not looked at the diagrams of the great increase in the purchasing power of the sovereign?—But then take the taxes; they have increased very much. Take the 50 per cent. that I have been speaking of, and add to that 12 or 15 per cent. of rates and taxes, that is 65 per cent. off the rent.

25,057. Has the increase of rates equalled 4 per cent. of the rental?—The increase of rates and taxes will be from 4 to 5 per cent. more than it was 20 years ago.

25,058. Not 4 to 5 per cent. of the rental?—The rates and taxes amount to about 12 to 15 per cent. of the rental being from 4 to 5 per cent. more than 20 years ago.

25,059. But 12 per cent. before?—Probably 10 per cent.

25,060. However, if the reduction of rental continues in that way, and allowing for the increase in the purchasing power of money, it is not so very great upon the bare statement of the nominal reduction. These are calculations to be made?—Looking at it from that point of view, it is; but as I said before, I would rather see the purchasing value of the money the same as it was 20 years ago, and have the rents at the same.

25,061. Still that may or may not be. But we are anxious to ascertain what the real facts are?—I am not aware that it is so much as you say.

25,062. I am merely repeating the evidence given by the different witnesses?—I am not such a financier as to know that; I know it has largely increased.

Retaliatory duties.

25,063. It is upon that ground that the proposals of bimetallism and other proposals are made to raise the nominal prices again; but it is put before us that the purchasing power of gold is increased to that very large extent. And then you wish to improve the condition of things, to bring Free Trade all round, as your phrase if, by imposing retaliatory duties upon those countries which impose upon goods which we send to them?—Quite so.

25,064. Do you wish to confine that to those countries which impose duties upon agricultural produce that we send to them?—I would impose duties on all countries, confined to agricultural produce; I would let other people speak for themselves—manufacturers for instance.

25,065. Do we export agricultural produce to any country worth speaking of, taking it all round?—We export a good deal to America of both pedigree cattle and potatoes, and we export wool also.

25,066. But our exports of British wool and our exports of potatoes (I am not aware at this moment with regard to pedigree cattle), but our exports of those two things to all the world are quite insignificant compared with our general export trade?—Because they put a tariff on it to prevent it.

25,067. Are you quite sure that that is the cause?—I think that that is a very obvious cause.

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25,068. But is not the real cause that we consume our own agricultural produce at home?—I know there is a very large export of wool and potatoes to America.

25,069. Do we not import potatoes into this country?—They are imported; but we grow far more than we consume in this country. Other countries send them in; but we have a greater supply of potatoes in this country than would meet the demand of Great Britain for the consumer.

25,070. Would it not be the case if the Americans required potatoes from this country that the prices in America would go up to the prices plus the duty that would enable us to send potatoes to them; that the price in America would go up to a point that it would pay us to send to them, and pay the duty as well?—Yes, considering all the circumstances that would be so.

25,071. The duty in America does not prevent the importation of potatoes to this country to any material extent?—Because we are getting so many from Germany and France and the Islands that there is no demand for our Scotch potatoes in a certain period of the year. In an early part of the year we have none and we are obliged to send them to America, when sometimes the price does not pay the import duty.

25,072. You do not propose to put an import duty on other articles?—I would leave it to the Legislature and let them find it out for themselves; I have not looked into that.

25,073. Have you considered the history of the Free Trade policy of this country, and the policy of this country with reference to this very question of retaliatory duties?—I have read Bright and Cobden when they were advocating Free Trade. They said that all the world would be Free Traders in the course of a very few years afterwards, and the result is that all the world has become Protectionists.

25,074. You are not aware that the policy of this country for many years prior to 1843 was this very policy which you recommend as the retaliatory duties?—Yes.

25,075. And that that policy was deliberately abandoned because it was found not to answer?—Well, I could fancy it would not, because you had not so many countries producing. America was not producing so much, Australia was not producing so much, and there were no facilities for bringing them in, and altogether it was different then to what it is now.

25,076. Still, the general idea was that you could compel other countries to give you good treatment as regards your exports, by putting duties upon the goods that they sent to you?—Yes.

25,077. And that policy which was tried for very many years was deliberately given up because it was found not to answer?—I am giving you my opinion and I will not draw back from it.

25,078. And you neither admit nor deny that the account I have given of the history is the correct one?—You have my opinion and I stick to it.

25,079. But you are not able to go into the question of the history of this subject?—If you were arguing for another five or six hours I do not think you could convince me.

System of cultivation.

25,080. (*Sir Nigel Kingscote.*) Has the system of management of farms altered at all of late years?—No, not much. In some parts it has; in the heavier lands, the clay lands, the tendency has been to lay them more down to grass. In the lighter lands the system has not altered a bit.

Employment of women.

25,081. Is there as much women labour as there used to be?—There is at some seasons of the year and some periods of the year. In harvest time the women are well paid, and the women get from 5*s.* to 3*s.* a day in the harvest time.

25,082. Did they get as much 15 to 20 years ago?—No quite.

25,083. Still there is a good deal of it?—Yes.

Tenant capital.

25,084. (*Viscount Cobham.*) I gather that the farmers in Forfarshire lost much of their capital?—I think they have lost a part of their capital. I think when the depression began at first and before they got their rents altered that they did lose then; I do not think they are losing their capital so much now.

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25,085. You gave evidence to the effect that those applying for a renewal of their leases, got them at the same rent as before?—Yes, generally.

25,086–7. Had they the same amount of capital?—But they had capital in the bank; they had capital at that time. I think that the tenants are poorer now.

Reduced value of produce.

25,088. What has been the reduction in the value of their products?—I think now, for instance—I give an example:—Barley this year was selling about 25*s.* a quarter, and in former years it was about 36*s.* per quarter, or about 30 per cent. more.

25,089. Would you agree with former witnesses that the value of agricultural produce, generally, has fallen about 30 per cent.?—It is just about it.

25,090. Notwithstanding that and an increase in the cost of production, you think that farmers have only suffered in the reduction of their profits for the most part?—Just in their profits. I think that they are able to pay their way, but they have no profit now. They are not laying anything aside now.

Scotch and English farmers compared.

25,091–2. How do you account for their having done so much better compared with farmers in England, who have lost the whole of their capital in many cases?—They have adapted themselves to the altered circumstances in many cases. They have, for instance, in the case of the Carse of Gowrie laid down their land to grass, where the expense of labour is not nearly so much, simply a trifle on those grass farms; but, on the other hand, we have more machinery than in former days; there is a little less expense in harvesting a crop, and manures are at a cheaper rate, and not only manures but feeding stuffs are at a cheaper rate; nearly 30 per cent. in the price of feeding stuffs less than 20 years ago.

Cost of production.

25,093. Has not the cost of production on the whole decreased?—No.

25,094. Including rent?—Including rent, it is much about the same.

25,095. What has increased except the cost of labour?—The labour bill, the tradesmen's bills, and all the saddlers and blacksmiths, and all those bills have increased very much indeed. The price of coal is kept up.

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25,096. But the cost of feeding stuffs and manures have diminished considerably?—That would hardly meet the reduced prices of produce.

25,097. Although the wages of labour have increased, the amount of labour has somewhat diminished?—Very little on arable ground; the number of people is the same as it was 20 years ago.

25,098. And there has been a diminution of 25 to 30 per cent. in rent?—Yes.

25,099–100. It is difficult to see that on the whole the cost of production has increased?—To a certain extent, but not so much as the bad prices they were getting.

25,101. And if the value of the products has diminished 30 per cent., it is difficult to see on paper how the farmer can live?—Well, it is only from the fact that they are getting their manures and cakes cheaper now and the abatements that they have got, that is all; and also living a more economical life than they did 30 years ago; they are living in different style altogether.

25,102. The fall of 30 per cent. in the price of products means much more than that off the profit?—In former days they had good interest for their money, and now they get nothing except their living from the farm.

Bank loans.

25,103. (*Lord Rendel.*) Have the farmers to your knowledge had recourse to the local banks?—In some cases they have, but not very much. As a rule, I do not think they have very much more than a little overdraft occasionally, but only temporarily.

25,104. Banks are not doing a large or profitable business with the farmers?—Scotch banks are averse to giving farmers loans.

25,105. (*Mr. Clay.*) They give them long credits?—With good security, Mr. Clay.

The witness withdrew.

Adjourned to to-morrow at 12 o'clock.

Forty-seventh Day.

Friday, 22nd June 1894.

PRESENT:

THE RIGHT HON. GEORGE JOHN SHAW-LEFEVRE, M.P., IN THE CHAIR.

VISCOUNT COBHAM.
The Right Hon. BARON RENDEL.
The Right Hon. HENRY CHAPLIN, M.P.
Sir ROBERT NIGEL FITZHARDINGE KINGSCOTE, K.C.B.
ROBERT GIFFEN, Esq., C.B.
Captain OWEN THOMAS.
FRANCIS ALLSTON CHANNING, Esq., M.P.
JOHN CLAY, Esq.
ROBERT LACEY EVERETT, Esq., M.P.
JOHN GILMOUR, Esq.
GEORGE LAMBERT, Esq., M.P.
WILLIAM CUTLACK LITTLE, Esq.
CHARLES WHITEHEAD, Esq., F.L.S.

HERBERT LYON, Esq., *Secretary.*
R. F. CRAWFORD, Esq., *Assistant Secretary.*

Mr. JOHN EDWARDS called and examined.

Mr. J. Edwards. 21 June 1894.

25,106. (*Chairman.*) You are a tenant farmer near Crewe in Cheshire?—Yes.

25,107. And you are also a member of the Agricultural Association?—I am.

25,108. Are you president of it?—No, I am not, I am simply a member. I am a member of the Cheshire County Council as well.

25,109. And you occupy nearly 300 acres, of which 150 are under arable cultivation?—That is so.

25,110. And you hold under one of the largest estates in Cheshire?—That is so.

25,111. Have you considerable knowledge of the state of agriculture?—I have.

Mr. J. Edwards. 22 June 1894.

25,112. And are you one of the members of the Cheshire Dairy Institute at Worleston?—Yes.

25,113. And you have acted as Judge at various Agricultural shows?—Yes.

Depression in Cheshire.

25,114. What is the state of things in your district?—Well, I do not think they are as bad as in some counties in England, but they are in a very depressed condition at the present time.

25,115. How long has that been the case?—During the last two or three years more than before.

25,116. How many years?—Perhaps more than that, but we have felt it more during the last two or three years.

Mr. J. Edwards.
22 June 1894.

25,117. Is that partly due to bad seasons?—Partially But foreign competition is the principal thing. We are in the neighbourhood of Birkenhead, and there is a great quantity of foreign cattle slaughtered there, and I think it is brought into our markets in the neighbourhood and sold as English, at least the question is never asked whether it is English or foreign. We do not fear the foreigners if we can meet them on fair grounds, but we think it is an unfair thing for their stuff to be sold in our markets as English, because the English consumers will always prefer English fed meat in preference to foreign if they knew it.

Foreign competition.

Reduction of rent.

25,118. But before we come to that, have rents been reduced in your district?—There has been no general reduction.

25,119. Have there been partial reductions?—There have been returns on most of the large estates.

25,120. Since when?—During the last three years.

25,121. But not before that?—Not before that. If I may say so in a few isolated cases before that, there may have been.

Demand for farms.

25,122. When farms are vacant, is there a demand for them?—Yes, there is, although we have had a few cases lately where farms could not be "set," there was only one "set" the other day as being vacant. If it had been "set" the tenant should have taken possession in May. The farm could not be "set" till lately, it has not been vacant for very long, for two or three months.

25,123. Is that an exceptional case?—That is an exceptional case.

25,124. (*Viscount Cobham.*) Is that a dairy farm?—Yes.

25,125. (*Chairman.*) Was that let at the same rent?—It was "set" at a much reduced rent, and it is taken by now.

25,126. When the farms are vacant are they let at reduced rents or at the same rents they were previously let at?—In some cases they are reduced, but, as a rule, they are taken at the same rents.

Wages.

25,127. And as to the wages of labour?—They are very much in excess of what they were, we will say, 30 years ago.

25,128. But as compared with 14 or 15 years ago, when the depression came on, what are they?—Rather more now. I should say from at least 10 to 15 per cent. more than they were 15 or 16 years ago.

25,129. What do they run now?—About 18*s.* a week for farm labourers, in some cases more.

25,130. (*Mr. Little*) Are those milkers?—Yes, the farm servants generally milk, but, as a rule, we allow them a little extra if they milk; but there are plenty getting 18*s.* per week without milking.

25,131. Milking prolongs the hours?—That is so.

25,132. (*Mr. Everett.*) Have they a cottage rent free?—Not with those wages.

25,133. (*Chairman.*) I suppose the rise of wages has been one of the difficulties of farms in that district?—Yes; it is not that altogether; it is not that that has caused the depression.

Reduced labour.

25,134. Has there been an economy of labour?—Yes, considerable.

25,135. Is the number of labourers employed rather less than it was?—Yes, it is. Where farmers have families and sons they are trying to do a deal of the work themselves to save employing labourers and to economise.

25,136. The difficulties that you have experienced have been mainly in the last two or three years?—Yes, we felt it more the last two or three years.

Importation of foreign cattle.

25,137. And that has been largely due to the competition of foreign cattle coming into Birkenhead?—That is one of the causes.

25,138. That does not, I suppose, affect the dairy farms?—It does to a certain extent, because where they keep a large dairy herd they rear a lot of calves; and during this introduction of foreign cattle, the price of store stock has gone down so much that it scarcely pays them to rear them, to sell them for feeding or anything of that kind.

Price of store cattle.

25,139. When did the price of store cattle go down?—About three years ago; it has been going gradually down for longer than that, but we felt the severe drop about three years ago.

25,140. Was it very low this last year?—Very low.

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25,141. That is partly due to the want of fodder in the South of England?—That I cannot tell you; I could not answer that question.

25,142. (*Viscount Cobham.*) The price of cow beef has fallen very much, too?—Yes, it has.

Quality of agricultural produce.

25,143. (*Chairman.*) Another cause you state here of the difficulty is the inferior quality of some of those articles of agricultural produce?—We are gradually improving that; there was a great deal of inferior cheese made in Cheshire, and we established a dairy school at Worleston and we are educating every year a lot of young dairy maids there, and I have known in many cases where farmers have sent their wives and daughters to learn cheese making. They have made as much as 5*l.* and 10*l.*, and even 20*l.* per cwt. and more, on their cheese after being taught there.

25,144. And you think a great improvement has been effected in that direction already?—Yes.

25,145. And still more may be done?—Yes.

25,146. By improving the quality of the produce and getting a better price in consequence?—Just so. I may say also that there is a great deal of cheese sold in the market that is adulterated, the natural fat is taken from it, and a great deal of animal fat substituted.

Cheese factorie

25,147. Are there cheese factories in your district?—Not exactly in my district.

25,148. The cheese is all made on the farms?—It is all made on the farms. I do not know of any factories in Cheshire.

25,149. You have no cheese factory or butter factory?—I think not.

25,150. It is all made on the separate farms?—They are made on farms, they are trying to establish factories at the present time in my neighbourhood.

25,151. They are trying to do it?—Yes.

25,152. Do the farmers think that some advantage may be derived from them?—Well, that is what they are trying to do, although years ago I have known the factory tried in Cheshire. Some 20 or 25 years ago there was one at Crewe, but it did not appear to succeed very well then; but perhaps they may have more experienced teachers now than they had then.

Rent.

25,153. What rent do you pay?—30*s.* per acre.

25,154. There has been no reduction of that?—No; it was a little more, but my landlord has reduced it.

Expenditure on improvements.

25,155. You have had yours somewhat reduced, how much?—The rent I paid was 450*l.* and the landlord took 30*l.* off and has given me other privileges. I may say one thing that you should clearly understand that we have no fault to find with our landlords in Cheshire. They endeavour by every means in their power to assist their tenants by giving them improved buildings and improving their houses and making them more suitable for dairy work.

25,156. Has there been a good deal of expenditure in that direction?—There has.

25,157. More during the last few years than previously?—There has on some estates. On the estate I live, that is the estate of Sir Henry Delves Broughton—it is one of the largest in Cheshire—they are making great strides. Lord Tollemache and Lord Crewe and Colonel Jodrill are the other principal ones in our neighbourhood and they are setting a very good example in doing their best for the tenant farmers in the district.

25,158. They have met the difficulties of their tenants by spending money?—Just so, and in many cases they have made returns at their rent days.

Rates.

25,159. Have your rates been increased?—Yes; that was a thing I should like to speak of. I commenced farming about 1866. My rates at that time were 1*s.* 6*d.* in the £ for the year, and to-day they are 2*s.* 6*d.* for the year. There were two of 9*d.* in the £ then, and to-day there are two fifteen penny rates in the £.

25,160. What has that been due to?—I cannot attribute it to anything else unless it is the state of bad trade and so many of the lower class out of employment. The labourer is not so efficient, and old labourers have to take refuge in our workhouses.

25,161. Has the poor rate increased?—It has.

25,162. In the same proportion?—In the same proportion. We have had the poor rate and the highway rate collected altogether.

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25,163. But I mean that part of the poor rate which is specially due to the maintenance of the poor?—That has increased very much.

25,164. What is your union?—Nantwich Union. I may say that I am vice-chairman of that union.

25,165. Are there several towns in the union or are you purely an agricultural district?—The union, as a rule, is agricultural with the exception of the towns of Nantwich and Crewe.

25,166. Is the increase of rates due to the towns being in the union, do you think?—I think it is. But still at the same time we must not blame the towns altogether for a good many of the poor people out of the country being men who went to the towns, especially the town of Crewe, have gone to get employment and they have settled in the town of Crewe.

25,167. (*Mr. Little.*) There is a good deal of expenditure for sanitary purposes: water, for instance?—Yes; but that is, as a rule, a separate charge on the different townships, and many of the landlords have guaranteed any deficiency if the water rates did not bring in sufficient to pay the loans.

25,168. (*Chairman.*) Are there school boards in your union?—Some, but a great many voluntary schools.

25,169. In your parish what have you?—My parish has a voluntary school.

25,170. You have no rate, therefore?—There is no rate. It is conducted on voluntary principles. We find it rather cheaper for us to conduct it on voluntary principles than by school boards.

25,171. Then you think that the charges on land in the shape of rates ought to be reduced?—Yes, I think that they are unfair in one sense. The charges for the maintenance of the roads, I consider myself, and it is the opinion of my neighbours, are rather unfair. For instance, take a tradesman with four or five conveyances and perhaps six or seven times on the road every day, whilst a farmer would have perhaps one conveyance every day. The tradesman may be rated at perhaps 100*l.* and the farmer at perhaps 400*l.* or 500*l.* Of course, we in Cheshire consider that a van and wheel tax would be a very fair tax.

25,172. In aid of the highway rate?—In aid of the highway rate.

Adulterated cheese.

25,173. Have you anything to complain of as to the sale of adulterated products?—The reason I mentioned that was in reference to so much cheese being adulterated with animal fat and sold as natural cheese in our markets. As I said before, we do not fear competition if we have fair play. There is another matter I might mention also that the depression does not exist exactly on all the farms in Cheshire. On those large estates as a rule it has been the son to take his father's farm; it has generally passed to the son and the rent often has not been altered. But where a farm has been at liberty and it wanted a fresh tenant the rent has been put up a good deal. Of course, where there is so much competition I do not see how you can blame the landlords particularly. Between 1860 and 1875 to 1880 farming was very good and there was a good deal of competition for farms, and some people were foolish enough to take farms at ridiculous rents, and it is on those farms I consider that the depression exists more than where there have been old tenants.

Depression in Cheshire.

25,174. (*Mr. Chaplin.*) Were they taken on leases in those cases?—No, generally on yearly tenancies.

Rent.

25,175. (*Viscount Cobham.*) Did not the rents fall about the time of the cattle disease?—Not very much.

25,176. They recovered again afterwards?—They recovered again afterwards. I may say that the price of all kinds of agricultural produce to-day is lower than in 1840 or 1845, very much lower. If the lands as a rule let at rents they were let at then, I do not think we should hear anything of the depression in Cheshire except a few might complain about the drop in stock that I spoke about before.

25,177. (*Chairman.*) What do you make your main profits from yourself, is it the sale of cheese?—Cheese and potatoes for the markets in the neighbourhood.

Price of cheese.

25,178. Have you got any table of prices of cheese extending over some years?—I have not. We have had several fairs in our two towns within the last month, and the prices ranged from 40*s.* to 60*s.*, a few shillings over that and a few perhaps better, but the average price is 50*s.*

25,179. How does that compare with a few years ago?—It is about the same that it has been during the last two or three years.

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25,180. But 14 or 15 years ago?—It was very much better sold then. I have been a dairy farmer over the last 26 or 27 years, and I have sold cheese at 80*s.*, and I have also sold it at as low as 45*s.*, and I have got 45*s.* to 60*s.* per cwt. during the last two or three years; but I may say that was very early cheese, and was not quite up to the mark. As a rule, the price of cheese in 1874 was about 80*s.* for good cheese; the same class of cheese to-day is worth about 60*s.*, perhaps, the best cheese.

25,181. I think the depression began two or three years ago?—Yes.

25,182. And up till then was the price of cheese maintained?—The depression began two or three years ago, when the price of stock went down more than anything else.

25,183. It was not so much due to the cheese as to that?—It was not so much due to the cheese as to that, and the price of all sorts of agricultural produce went down.

Large and small estates.

25,184. Have you formed any opinion as to the desirability of large estates or small ones?—We find that, as a rule, the tenant farmer has quite as good a chance under large estates as under small estates, because the landlord has more means in his power of assisting his tenants. We find all the large estates managed well in our neighbourhood, whilst I may say that I have nothing to say whatever against the small estates.

25,185. But, on the whole, the owners of large estates are better able to meet the wants of their farm tenants by expenditure?—I think so; that is my own opinion.

25,186. And is there rather a preference to take holdings under a large owner than a small one?—I should prefer to take a farm under a large owner myself.

25,187. Are there many farmers occupying their own farms?—Not very many; a few.

Judicial rents.

25,188. Is there any desire of farmers in your district to have their rents determined by independent authority?—I do not hear anything of that sort. There are a few who are of that opinion. I may say 90 per cent., or more than that even, are quite satisfied by making their own arrangements with their landlords.

25,189. Has the matter been discussed at your association?—Well, it has been mentioned; but it has not been discussed at any length.

25,190. Was it not treated as a practical question?—It was not.

The Agricultural Holdings Act.

25,191. Then on the subject of the Agricultural Holdings Act, have you had any discussions upon that?—Yes, we have. But the Agricultural Holdings Act cuts both ways. I do not think that it has been so much used; it has certainly helped in some few cases, but it cuts both ways, and, as a rule, I do not think it is of very much advantage to the tenant farmer.

25,192. Have your association any amendments to suggest?—No, we have not, not that I am aware of. I am not president of any association; I am simply a member of the Cheshire Chamber of Agriculture.

Subdivision of farms.

25,193–4. Is there anything else you wish to bring before the Commission?—I think it a great mistake for landlords to destroy small farms to make large ones. I really think if there were more small farms in the country it would be very much better.

25,195. Has there been much movement in that direction?—Not of late years, not very much; but I find that farms of, I will say, 100 or 150 acres are, as a rule, quite as well managed as the larger farms. Of course there are a few energetic men who manage large farms very well, but where there are smaller farms the farmer has a better chance of doing a great deal of the labour by his own family.

25,196. You think it an advantage to the district that there should be a number of small farms as well as large ones?—Yes.

25,197. That there should be a gradation—to have small farms as well as large ones?—Yes.

25,198. (*Mr. Chaplin.*) You are speaking of dairy farms?—Yes.

25,199. What is a large dairy farm?—Perhaps I should call a farm of 400 or 350 acres a large farm.

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Small farms.

25,200. (*Chairman.*) And what is the smallest farm a man can manage and live wholly by?—There are plenty of farms of 50 acres and 100 acres on Lord Crewe's estate. Many farms of 100 acres.

25,201. Are there many smaller farms?—Yes, of 50, 60, 70, and 100 acres.

25,202. Can a man make a good livelihood out of 50 acres?—Of course they do that, but they will have to do a great deal of the work themselves.

25,203. (*Viscount Cobham.*) Do they pay the family wages?—They rear them and try to start them in life; they do not pay them any fixed wages.

Security of tenure.

25,204. Do you feel that you have much security for the money you have put into the farm under the present system?—Yes.

25,205. Even in case of a change of ownership?—Yes, if from father to son on the large estates we feel satisfied with that.

25,206. You feel satisfied with the present position in fact?—Yes.

Agricultural education. Dairying.

25,207-8. Will you tell us what the county council have done in providing special instruction in dairy-work?—They have offered a scholarship to farmers' daughters or anyone else to be taken up at the Dairy Institute for eight or ten weeks, where they can have free residence and instruction there for eight or ten weeks at a time.

25,209. Who founded the school?—The county council. To begin with, it was a farm taken up as a private adventure by a few gentlemen in the neighbourhood. They established it as a dairy school, and they charged for instruction, and the county council came into operation and took it over from this body and established it on rather a larger scale.

25,210. It is wholly maintained by the county council?—Yes.

25,211. They charge fees?—We charge fees of 10*s.* per week with maintenance, but not for those who get the scholarship; we give them free maintenance.

25,212. How many are receiving instruction at the school?—I should say about 20 weekly; there might be sometimes a little less. I am one of the managers.

25,213. Do you know the amount of money allocated to the school by the county council out of the grant?—Well, it varies. We have had as much as 500*l.* a year from the county council, and we have had a little less. I think this year we are asking for 300*l.*

25,214. For the school exclusively?—Exclusively.

25,215. Is anything else done for the promotion of farming?—Yes, during the winter months we give two sets of scholarships to farmers' sons; that is, they have to pass a preliminary examination. We instruct them in butter-making and chemistry and the general principles of farming.

25,216. Where is the instruction given?—At the Dairy Institute, but during the time the male students are there we have no female students. Of course it is devoted to the instruction of female dairy-work and male students in the winter.

25,217. Have you any instructors going about the county?—I was going to say that in the winter months we have an instructor in agriculture resident at the institute, a male instructor, and three lecturers lecturing on agriculture in the county. We have the county divided into districts, and each takes a district and delivers working lectures weekly at each centre.

25,218. Are the lectures well attended?—They are moderately well attended.

25,219. By the farmers themselves?—Yes, they are. I do not think they are so well attended as they might be, but still they are taking more interest in them than formerly. We have likewise lectures on poultry keeping, and also on fruit culture and bee-keeping and the diseases of fruit—the insect pests and matters of that sort. We have them delivering lectures in different schools.

25,220. By whom are the lecturers provided?—By the Technical Education Committee.

25,221. How are they engaged?—We have a committee partially composed of members of the county council, and we have a few large farmers who have a share in the management also that are members of the subjoint committee, and they are elected by them yearly. The appointment only stands for a year, and we are re-elected then at the end of 12 months.

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25,222. Have you found much difficulty in finding competent lecturers?—No, we have not; and the market is getting better stocked with them now than formerly. I may say that we have also given the teachers of the public elementary schools lessons at different centres to instruct them in the principles of agriculture, and they have passed very successfully as teachers of agriculture in the Science and Art Department; and now they are holding classes in different parts of the county themselves. These are the people that have been taught.

25,223. And they are teaching the principles of agriculture at the elementary schools?—Yes, at the elementary schools; but still they do not hold it in the school-hours, it is held in the evening.

25,224. Is not there a grant made for agricultural teaching?—There is, we give grants.

25,225. I mean a Government grant?—I do not know of anything of the sort.

25,226. So, on the whole, you value highly the instruction provided by the county council?—Yes, we are doing the best with the money, and we are trying the matter of the agricultural instruction of Cheshire in the proper manner.

Butter-making.

25,227. Is there much butter made for sale?—Yes, a good deal.

25,228. Has there been an improvement in the manufacture of butter?—Yes, of both cheese and butter. We give instruction in butter-making at the Dairy Institute as well as cheese.

25,229. Have you more foreign butter sold in the county?—Yes, there is a good deal; we do not find fault with that of course; it is very necessary that the marking of margarine should be strictly carried out, and I think that it is moderately so.

25,230. But the home-made butter holds its own with the foreign made butter?—We do not fear the foreign butter in our markets at all.

Agricultural education. Dairying.

25,231. (*Mr. Whitehead.*) Where is this Dairy Institute situated in the county?—At Worleston, near Nantwich.

25,232. Would that be central?—It would be moderately central, that is on the line between Crewe and Chester.

25,233. Has the county council a travelling dairy as well?—They send professors in cheese-making to the different farms in the county to hold classes to teach dairy-work, using the farm-houses.

25,234. Which does the same kind of work as the travelling dairy?—They simply send the teacher and use the farmer's utensils and instruct him in cheese-making.

Adulterated cheese.

25,235. Were you speaking of English cheese or foreign cheese when you spoke of adulteration?—I am afraid both, but not in Cheshire; I do not think there is anything of that sort in Cheshire.

25,236. With what is English cheese adulterated?—I only speak of the fact; there is no adulteration of cheese on English farms.

25,237. Where would it be, then—in the cheese factories?—That I cannot tell—whether it is made in the cheese factory I cannot tell. I am informed there has been a good deal of cheese adulterated, but I suppose it is more foreign than English. I am informed, but of course I have no authority for saying so, that there is much of this sort of thing done in England.

25,238. There is a great adulteration of cheese in America, but it is the first I have heard of cheese being adulterated in England. It is adulterated, I think, with cotton seed oil?—So I believe; and it is brought into the markets; and this ought to be marked as to what it is.

25,239. Adulterated cheese ought to be marked?—Yes.

Demand for farms

25,240. You were going to give the reasons why farms are taken up as you said?—I am glad you named that. The reason is that many farmers keep their sons at home to assist them in farming, and they have really when they have begun to start in life no occupation to go to except farming, and that is the reason I consider that the farms are taken up to a certain extent. Farmers' sons might go out more than

they do into other businesses; but, as a rule, they are attached to their homes, and their country, and they have been at home with their fathers, and they are anxious to continue in the county in the same business.

Effect of the depression.

25,241. Farming in your district, I gather from you, has not been such an unprofitable business altogether on the whole?—It has been this last year—for the last two or three years—as I told you.

25,242. But not previously?—Not previously.

25,243. You think that farmers have lost more than their profits?—Yes.

25,244. Through their cattle?—They have.

25,245. Are dairy farms, grass farms rather, always more lettable?—Yes.

25,246. That is another reason why farms are taken up in your district, I take it?—I do not think there are 90 per cent. of the Cheshire farmers farming at a profit to-day.

Rates.

25,247. You speak of the poor rate being increased in your district; is not that quite an exceptional circumstance; has it not decreased as a rule throughout the country?—That I cannot say—I speak for my own union—it has in my own union increased very much.

25,248. The poor rate proper?—The poor rate proper.

25,249. In spite of subventions from the Government, as to the payment of officials, and so on?—Yes.

25,250. In spite of that?—Yes.

25,251. You are keeping the poor rate clear from the highway rate?—Yes.

25,252. Is it from want of management on the part of the guardians?—No, I do not think it is that; we are as strict as we can possibly be, both with what we call the tramps, and we also do justice with our poor in the house. Still, in spite of everything the rates have gone up.

25,253. A natural increase in the poor rates?—Yes.

25,254. Do you say notwithstanding that the labouring classes are better paid?—They are.

25,255. Would they be better off than ever?—I believe they are better off to-day than they have been for many years past, because the price of provisions is so very cheap.

25,256. You are aware that there are subventions from Government with regard to highway rates at present, towards main roads?—I was not aware of that.

25,257. Subventions towards maintenance?—Yes. I may say that I am a member of the Main Roads Committee of the county council; but I was not aware of that.

25,258. But there are certain funds allocated towards the maintenance of roads, I think; perhaps not specially, but they are allocated for roads by some county councils?—Yes. I do not know if you refer to the money that we receive from the Government from the license duties.

25,259. Certainly not?—That is wholly devoted to technical education.

Effect of the depression.

25,260. (*Mr. Clay.*) You were saying that farmers had had no income for two or three years?—For three years. Well, I feel sure I have not been able to make money.

25,261. Do you think they have been losing their capital?—They have been losing their capital.

25,262. And has the fertility of the land been going down for want of capital?—I do not consider that the fertility has been going down.

25,263. It is mostly grass land?—It is chiefly grass land.

25,264. Have you as much cake upon your land as formerly?—Yes, a good deal; but we apply, I may say, a good deal of bones to our land. I do not say but what if things continue in their present state that it will not go down eventually, because the farmers have not the money to lay out.

Payment of compensation.

25,265. If a tenant leaves his farm as an out-going tenant does he get compensation for the bone and cake?—Yes.

25,266. Under private agreement?—Under private agreement. I may say that I have had to deal with settling matters of this sort several times. I always find the landlords very fair in the matter.

25,267. If the landlord has a certain clause in his lease he will give compensation?—Yes.

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25,268. You do not apply the Agricultural Holdings Act?—Yes; we do to a certain extent, of course; but the Agricultural Holdings Act only comes in where the landlord and tenant cannot agree, and I have never seen a case where the out-going tenant has not been fairly treated. There have been cases in Cheshire no doubt; but they have not come under my immediate notice, I may say.

The Agricultural Holdings Act.

25,269. Are you acquainted with the working of the Agricultural Holdings Act?—Yes; I am.

25,270. And you admit the principle of it?—The principle is right, no doubt; but I have known several cases where a farmer has applied for the cost of bones or cake upon the land and the landlord has brought in a claim for dilapidations; and that is the reason that I think that taking it altogether the thing cuts both ways. It may work well in some counties, and it works well enough in Cheshire, no doubt; but I wish it to be clearly understood that we are always treated very fairly in Cheshire. I was brought up to farming in Cheshire, and I have never had any fault to find with the landlords.

Condition of cultivation.

25,271. You have said that the farms are keeping up their fertility, and the condition of the land is maintained?—To a certain extent, but I am afraid it will not be for long.

25,272. But at the present time you say that it is?—Yes.

25,273. And where do the dilapidations come in, then?—Under our agreements we are supposed to keep the farms in a moderate state of repair, the landlord finding the material for the repairs and I do not know what—you are supposed to keep them in order, and the landlord to find the materials; and there are different things, such as gates to be kept up, and I do not know what else in proper order, such as fences kept in good condition. The landlord would claim for allowing tillage land to get dirty, full of weeds and couch grass.

25,274. Is not the farmer to blame if he does not keep them up in good condition?—He ought to keep them up, no doubt, but during the bad times it is difficult for him to pay for the labour to do it in many cases, and they have gone out of repair in many cases. I consider the land quite as well farmed in Cheshire as in any part of England, I have been in different parts; I came from Crewe up to London yesterday; and I think that the land in Cheshire, from what I can see, looks as well as any part that I saw.

25,275. If the tenant gets the steading into bad repair, the landlord is entitled to compensation?—That is why I say that it cuts both ways. If the landlord and tenant cannot agree, it is a fair thing to fall back upon.

Butter and cheese making.

25,276. (*Mr. Gilmour.*) The want of uniformity in butter and cheese in this country is the chief difficulty in competition with the foreigner?—Yes.

25,277. And is not uniformity in these products likely to be more easily obtained on large farms than on small ones?—No. I cannot see that there is more uniformity on large farms than small ones. The reason that I mentioned small and large farms is this. I do not think that on very large farms the occupier can pay the same amount of personal supervision to the work that a small farmer can on a lesser farm.

25,278. But the rents of these larger farms are as well paid as on the smaller ones?—Certainly. I do not hear any complaint about that.

25,279. Then it would be for the benefit of the whole countryside to be able to compete with butter from abroad, the Danish and other butter. But you still think it is a good thing to advocate the increase of these small farms?—It would be rather a difficult question for me to answer, but what I have said is that, as a rule, I find small farms better managed, or quite as well managed, as the large ones; though as regards the competition in butter and cheese of the small farms as compared with the large ones I do not think there is anything new to be said, because the cheese would be equally well made on the large farm as on the small one.

25,280. The question is is it equally well made on the small farm as on the large one?—That is so.

25,281. I wanted to know how long you wanted to keep the learners at the dairy school?—Eight weeks

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we have them. Those are the scholarship pupils. The person who comes to learn cheese or butter making can stop as she likes, as long or short.

Cheese-making.

25,282. (*Mr. Little.*) You spoke of the prices of cheese having decreased very considerably. How many hundredweight do you produce per cow?—It varies on different farms. On a light land farm perhaps 3½ cwt. On a stronger land farm, that is purely adapted for dairy purposes, and well boned, I have known as much as 4½ and even 5 cwt. But the 5 cwt. is in very extreme cases.

25,283. How many cows can you keep on a hundred acre farm?—There is a difference there in the quality of the two farms, but, being adapted for dairy purposes, I should say about 30 cows on a hundred-acre farm.

25,284. On the average 100-acre dairy farm?—Yes, but if a light land farm, and not exactly adapted for dairy work, a few less, perhaps 25 cows.

25,285. Is it possible to largely increase the output?—Yes.

25,286. By boning?—There is no doubt about that.

25,287. And is the quality of the cheese equally good when the production is increased?—I think so.

25,288. There is no fear of diminishing the quality by forcing the production?—I think not.

25,289. Under good management? — Under good management I think not.

25,290. Has the produce increased, or has it been falling off?—Do you mean as a whole?

25,291. Of late years, say the last 10 or 15 years with the average cow, or average farm, has the produce been as much or more?—I think it decreased in production last year.

25,292. Has there been any tendency to go from cheese-making to butter-making?—I think not.

25,293. You mention that on a small farm of 50 acres or thereabouts, they can make as good cheese as on large farms?—I have no doubt about it.

25,294. You think that the personal supervision is a great element in the quality?—Yes; you may be quite aware that the farmer's wives nearly always make the cheese, or they superintend it whilst being made.

25,295. There must be a sufficient quantity of milk to make a cheese within a certain time, but within those limits you think that the small holder makes it as well as the large holder?—Equally so.

25,296. Do you hold under an agreement; I think you said you did?—I do.

Payment of compensation.

25,297. Does that agreement specify the compensation to be given for bones and such matters, or does it leave it to the Agricultural Holdings Act?—The agreements of late years have been altered, and it is left no doubt under the Agricultural Holdings Act. We had agreements before in which it was stated compensation should be given, but the agreements are altered since then.

Restrictions on cultivation.

25,298. And I suppose you have covenants to mow particular lands, or do you mow whatever you please?—As a rule the landlords can see when a farmer is farming well, and they do not restrict him.

25,299. Then it is not laid down in your agreement that you could only mow certain pieces of land?—That is so.

Depression in Cheshire.

25,300. (*Mr. Chaplin.*) You told us, at least I gathered that is your evidence, that the depression in Cheshire is not so severe as it is in many other parts of the country?—There is no doubt about that.

Reduction of rent.

25,301. And since it begun, within the last two or three years, considerable reductions all round have been made?—I cannot say that it is not a universal reduction, but there have been returns at the annual rent days, or half-yearly rent days.

25,302. They are what we should call remissions?—Yes, remissions.

25,303. Have there been cases where those remissions have been treated in the permanent returns?—Not that I am aware of.

25,304. But since the depression began to be severe two or three years ago, there have been considerable remissions?—There have been.

Condition of cultivation.

25,305. I think you are of opinion that farming in Cheshire at the present time compares favourably with what you see in some districts of England—you think the condition of farms is better?—Yes.

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25,306. And the management of them is still good?—Yes.

Demand for farms.

25,307. I understood you to say that in spite of the depression the farms are still readily taken up, and you gave us the reason for it, but I did not catch it?—The reason that I gave that they were taken up, was that farmers, as a rule, in our dairy farms keep their families to assist them in the working and management of the farm, and they have really no other occupation. They have been brought up as farmers, and they want to follow the occupation to which they have been brought up.

25,308. And consequently there is a demand for farms wherever there is one vacant?—That is so.

25,309. Did you tell us what kind of agreement you held under yourself? Do you hold your farm under the Agricultural Holdings Act, or agreement with the landlord?—I suppose it would be both. I signed an agreement with my landlord.

25,310. But for anything not mentioned in that agreement you would be able to claim under the Agricultural Holdings Act?—Certainly.

Land courts.

25,311. I think you told us that 90 per cent. of the farmers in Cheshire, as far as you are aware, would certainly not be in favour of land courts, or anything of that kind, for fixing of rent?—I did not say that they were in favour of that. There are only a very few who are in favour of that sort of thing. I do not say whether they would be in favour of it or not, but I do not think that they care about it; I think that they are satisfied with their agreements, and with their landlords, as a rule.

25,312. That is what you meant when you spoke of 90 per cent. of the farmers?—That was so. In fact, I do not think there are 5 per cent that trouble themselves about the land courts; there are a few but very few.

25,313. Should I be right in saying that, as far as you are aware, there is no strong feeling in Cheshire among agriculturists in favour of great changes in land tenure?—That is so.

Agricultural associations.

25,314. We have been told by some witnesses that we have had before us, of two associations in Lancashire and Cheshire; one called the Lancashire Federation of Tenant Farmers, and the other called the Tenant Farmers' Association. Does the Cheshire Chamber of Agriculture belong to either of those associations; is it affiliated with them?—It is affiliated with the Nantwich Farmers' Club I think. I am a member of the Cheshire Chamber of Agriculture, but not of the other associations you speak of.

25,315. And you are not sure whether the Cheshire Chamber of Agriculture is associated with them or not?—Not with the other associations. The Nantwich Farmers' Club was affiliated, I believe, with the Chamber of Agriculture. I do not know whether I should be right in stating it, but I think the landlords have been the backbone of the Cheshire Chamber of Agriculture, and I do not think they were much consulted in the matter.

25,316. But the Cheshire Chamber of Agriculture is not affiliated, I understand, as far as you know with the Lancashire Association?—No, it is not.

25,317. Are you acquainted with the general views which are held by that association?—I am not.

25,318. You cannot say whether they represent at all the views of the farmers in Cheshire?—I cannot.

25,319. Apparently you do not attach very much importance to the subject yourself?—I do not, indeed.

Land Courts.

25,320. I am right, then, I think, in interpreting your opinion to be this: that as far as you know from the practical farmers in Cheshire, they have been generally in favour of making their own arrangements with the landlord?—That is so.

Restrictions on cultivation.

25,321. Have you anything to say upon the question of freedom of sale of produce or freedom of cropping your farm as you please?—All that I can say as regards that is that they do not restrict us particularly in Cheshire. There may be some exceptions in some fields that are very public near the highways, where the landlord prefers them down in grass. We are restricted to a certain amount of tillage on the farms; generally one third to take in tillage in the usual

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course of tillage on a four course system; but where a tenant is farming really well, the landlord does not interfere with him if he goes to him and asks, "Will "you allow me to plough such and such a field," the landlord has always been willing to give his consent.

25,322. Where you find that you want to make an alteration in your mode of farming which is for the advantage of yourself as well as of the farm, you find no difficulties as far as the landlord or agent is concerned?—I do not.

Law of distraint.

25,323. Will you shortly give us your views with regard to the law of distraint?—I mention that in the paper I sent. I think it is unfair that a landlord should distrain for more than 12 months' rent.

25,324. You think that the law should be retained as far as 12 months is concerned?—Yes, as far as 12 months is concerned. There are a few farmers in Cheshire that I know who have been industrious men, and have perhaps been among the most successful farmers in the county, who have risen from the ranks, and I am afraid that if the power of the landlord was done away with altogether it would debar those men from rising in the world.

25,325. You think that the law of distress is a distinct advantage to the small man who begins farming?—Yes.

25,326. And its abolition would be injurious to him?—I think it would.

Cattle disease.

25,327. Do you remember the period when the cattle plague was so bad in Cheshire?—I just remember it. I should be a young man at that time.

25,328. Have you suffered since then at times from pleuro-pneumonia?—We have not had much of it since then.

25,329. Have you any views with regard to the Contagious Diseases Acts, relative to animals, which you would like to put before the Commission?—I do not know that I have, we are satisfied with the present arrangement. Of course you only refer as regards cattle.

Slaughter of foreign cattle.

25,330. I am referring to the case of pleuro-pneumonia, and to a proposal which is sometimes made, that for the future the slaughter of all animals coming from foreign countries should be made compulsory at the port of debarkation. Do you think that that ought to be compulsory or do you think that it should be left to the discretion of the authorities?—I think it should be left to the discretion of the authorities. If there was any pleuro-pneumonia in the country they came from, they ought to be slaughtered by all means at the port.

25,331. You are not in favour of compulsory slaughter absolutely?—No, I am not.

Foreign competition.

25,332. What in your opinion is the main cause of the depression from which agriculture is suffering?—The principal cause as I perhaps stated before is this matter of the sale of foreign stock in our markets against home produce. I know that there is beef brought over slaughtered at Birkenhead which can be bought in carcases at 4½*d.* to 4¾*d.* per pound, and it is impossible for the Cheshire farmers, or any farmer to feed beef here at that price. But at the same time if this meat was fairly put on our markets and labelled as American meat, as a rule the consumers would prefer to buy Cheshire or English beef, even if they gave a little more for it.

25,333. The main cause of the depression is the fall in the price of meat. Do you think that that would be remedied to some extent if the American meat were labelled and sold as what it is, and that that would raise the price of English meat?—Yes, we are not afraid of the Americans when they are fighting on fair grounds, but they take advantage of us by selling a great deal of their stuff in our markets as English produce.

25,334. The English produce you consider being better than the American?—Yes.

25,335. And in that way they get an unfair advantage over you?—Yes.

Agricultural associations.

25,336. (*Mr. Chaining.*) With regard to the question asked you by Mr. Chaplin as to the Cheshire Chamber of Agriculture being affiliated to the Lancashire Federation of Tenant Farmers and Cheshire Farmers' Association—are you not aware that all the county chambers of agriculture are affiliated with the Central Chamber of Agriculture?—I am aware of that.

25,337. And that is the only association with which they are affiliated?—I am not aware that the Cheshire Chamber of Agriculture is affiliated with this association. I know that it has been affiliated with two farmers' clubs, the Nantwich and another.

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25,338. It would probably be that these local clubs are affiliated with the Cheshire Chamber of Agriculture; that would be the more important body of the two, the chamber of agriculture for the county?—Yes.

25,339. I understand that you came here not as representing any of those farmers' associations?—No.

25,340. You are here as a member of the Cheshire Chamber of Agriculture?—Yes.

25,341. Do you think that the Chamber of Agriculture fairly represents the opinions of the farmers of Cheshire?—Yes, I think that as a rule they do; I cannot say of course. You see the members of the Chamber of Agriculture do not represent the thirtieth or fortieth part of the farmers. I could only speak as a rule as to what is discussed at the Chamber of Agriculture.

25,342. You think that it fairly represents the opinion of the farmers in the county?—Yes.

25,343. As a sample of opinion?—Yes.

Boards of arbitration.

25,344. In connexion with the recommendation of that chamber sent to the Central Chamber of Agriculture as to the amendment of the Agricultural Holdings Act, do you approve yourself that there should be a board of arbitration in each county to settle all differences between landlord and tenant?—I have nothing to say against it particularly. I would rather you would not ask me my opinion upon that question, for the reason that I mentioned before, I was not present when that resolution was passed; but it might be a good thing; at the same time I do not see the necessity for it.

Compensation for consumption of home grown corn.

25,345. Do you approve that there should be compensation for home-grown corn consumed on the holding under reasonable conditions?—Yes.

Security of tenure.

25,346. Do you approve of giving, as an amendment of the present Agricultural Holdings Act, better security of tenure?—Well, we have a security, I think.

25,347. You do not think your chamber justified in asking for more security then?—Well, of course I am only one member of that chamber, and I was not at the meeting when that was passed. I have no opinion to give on that matter.

Restrictions on cultivation.

25,348. Then again do you think that there should be greater freedom of cultivation?—We have all the freedom we desire.

25,349. And there should be free sale of produce without detriment to the land. But you do not wish to express an opinion upon any of these things?—As regards the sale of produce, as I said before, I do not know that we are restricted in the sale of produce. Of course there is a clause in our agreements restricting, we will say, the selling of certain things, but of late years they have not taken any notice of that, and all that a farmer has to do is to name it to the agent, which we generally do.

25,350. You think that farmers ought to be entitled to sell hay and straw and other crops that it may be their interest to sell under the present conditions of agriculture so long as they make a sufficient manurial return to the landlord?—Yes, certainly.

25,351. And you agree to some of the recommendations of the Cheshire Chamber to which you belong, but you decline to express an opinion as to others?—That is so, I have heard the question of the Board of Arbitration spoken of by several farmers, but I have heard no definite opinion given.

25,352. I think you do not make any serious objection to it yourself?—No, I do not make any objection to it.

High rents.

25,353. (*Captain Owen Thomas.*) I think you said that some farmers had taken their farms 10 or 15 years ago; are they paying very high rents?—Yes.

25,354. Would you say they are paying exorbitant rents?—In some cases.

25,355. How are those farms let, by tender or otherwise?—No the landlord as a rule fixes the rent for a farm and chooses his own tenant, on the largest estates.

25,356. What rents are those tenants paying, what is the average?—Some are 2*l.* and some over that per acre?—Yes.

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25,357. I think you said you were paying 30*s.* an acre?—Yes.

25,358. Is your land as good as their land?—Well, I should scarcely think it was in many cases; but still some land is no better than mine, where they are paying 2*l.* and perhaps not so good.

25,359. Are those men satisfied with the rent they are paying?—They are not satisfied; but they know that if they give them up perhaps someone else would take them, and they do not like to leave.

25,360. They have applied for a reduction?—Yes, and in some cases they have got it.

25,361. And those who have got it, are they satisfied?—I should say so.

25,362. What about the others, are they still paying more rent than the land is worth?—Yes, I am afraid so in some cases; as I said before in the early part of my evidence, it was some of those farms that will let for 40*s.* or 50*s.* up to 60*s.* per acre; it was those farms where the depression was most felt.

25,363. What are those men to do if their landlords refuse to make any deduction?—Well, they will have to farm as long as they can, and they will stick to it as long as they possibly can; and if they cannot farm any longer they will have to give it up.

25,364. Where would they go afterwards?—They will have to take anything, a smaller farm perhaps, or occasionally they come to grief and have to take what they can get.

Cattle breeding.

25,365. What do they do with their calves?—We sell them in the market; feed them for a few weeks and sell them to the butchers, and some we rear. We always have to rear a certain number to keep up the stock.

25,366. Are there any breeders of store cattle in Cheshire?—Yes.

Depression in Cheshire.

25,367. (*Mr. Everett.*) Your county is the only one, as we have heard from some witnesses, in which there has been no general reduction of rents. Have you any knowledge of other parts to be able to give us an idea how it is that Cheshire stands on so different a footing from the other counties?—I cannot, except this: I think that being a dairy county perhaps they have staved off the depression longer than some other counties.

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25,368. There must be something peculiar to the herbage in that county which gives a quality to its produce?—Yes.

Landlords.

25,369. (*Lord Rendel.*) You have a very good landlord?—I am satisfied with him, I believe that he is a good landlord.

25,370. And you live in the neighbourhood where the landlords are good all round?—As a rule I think we are very fortunate; they are all good landlords in the neighbourhood.

25,371. Then you have no fear but that justice will be done?—I have no fear but that justice would be done in any case.

25,372. Whatever the terms of your agreement were you do not think they would be enforced if unfair?—They would not. I think those clauses are right enough to be in an agreement, because a landlord is bound, no doubt now and then, to meet with a black sheep that would try to pull the farm all to pieces and leave it in a worse state than he found it.

25,373. And sometimes a farmer will find a bad landlord?—Not often. But there are landlords who occasionally meet with a bad tenant.

25,374. But in your neighbourhood that is not an experience that you have met with?—I can only say that in my immediate neighbourhood of Cheshire; I only speak for within we will say 10 miles of the town of Crewe or Nantwich, on the large estates I have mentioned, I have never seen, that I am aware, any injustice done.

Effect of the depression.

25,375. Then the disappearance of farming profits in Cheshire, or in your part of Cheshire, has happened only within the last two or three years?—Three years I think I mentioned.

25,376. Not of longer standing?—Not seriously. It was bad before, but not so serious as during the last three years.

25,377. And you come here to speak of the farming of Cheshire as you find it under those conditions?—I have come here to give what I thought was my really candid opinion, and I have done so as nearly as I possibly could.

The witness withdrew.

Prof. J. Long.

Professor James Long called and examined.

Prof. J. Long.

25,378. (*Chairman.*) You were formerly Professor of Dairy Farming at the Royal Agricultural College?—Yes.

25,379. You are also Chairman of the Education Committee of the British Dairy Farmers' Association?—Yes.

25,380. You are also Chairman of the South Hants Farmers' Union?—Of the Committee.

25,381. And you are a delegate to the Chamber of Agriculture?—I am.

25,382. And you have also been a judge at the Royal and many other agricultural shows at home and abroad?—Very frequently.

25,383. And you are the author of several works on agriculture?—I am.

25,384. And you are a farmer?—I occupy two farms in Hants and Herts.

Particulars of farms.

25,385. And they are from 600 acres to 700 acres each, or are they that together?—They are that together.

25,386. How long have you held those farms?—One for six years, and the other one is recently taken.

25,387. Then you have taken them since the depression?—I have.

25,388. May I ask what rents you pay for them?—The first farm is about 23*s.* per acre, and the second farm about 25*s.* or 26*s.*

25,389. Are they fair rents, not very low?—The second farm is a fair rent, the first farm is not.

25,390. You mean that the rent is high?—It is too high.

25,391. However, you contracted to give that rent?—I did.

25,392. Six or seven years ago?—I did.

25,393. Was that on lease?—On yearly agreement.

25,394. What is the size of the two farms?—The first farm is 458 acres with woods, and the second farm is 233 acres.

25,395. (*Mr. Chaplin.*) And the first farm was let at 23*s.*?—That is a calculation by deducting the woods.

25,396. And the second at how much?—About 25*s.* an acre, and the acreage 233 acres.

25,397. (*Chairman.*) Have you had any reduction of rents since you came into the possession of this farm?—No, I have had remissions.

25,398. What has been your experience of farming on that farm?—Very bad indeed.

25,399. (*Mr. Chaplin.*) On both?—Not the second farm, it is only a recent take.

Farming in Hampshire.

25,400. (*Chairman.*) It has not deterred you from taking another farm?—The present year has exceedingly good prospects in Hampshire and Hertfordshire.

25,401. The present prospects of both farms?—Yes.

25,402. And in the last two years in Hampshire it has been extremely bad, mainly on account of the seasons?—On account of the drought and the inferiority of the labour.

25,403. But apart from that, which was a continuing matter, were the last two seasons bad in Hampshire?—Very bad, indeed; I never knew worse.

25,404. Was one a very cold season and the other droughty?—The last two were very dry; the third back was wet, and the last too dry.

25,405. What part of Hampshire is that?—Near Romsey.

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Quality of labour.

25,406. Are they dairy farms?—No, sheep. The second is a dairy farm; the Hertfordshire farm.

25,407. You have suffered there from the inferiority of the labour?—Very much indeed.

25,408. Why is that? Is that because the labourers are inefficient?—Inefficient in every possible way; many are lazy and ignorant.

25,409. Is that compared with other districts?—I think they are the worst in England.

25,410. (*Mr. Little.*) Is this with reference to Hampshire or Hertfordshire?—Hampshire.

25,411. (*Chairman.*) Are they mostly old men?—Very few old men; the old men are by far the better, and if you import a new man to the district he at once shows you the superiority of his own work as compared with that of the local men.

Wages.

25,412. How do the wages run there?—11*s.* to 12*s.* a week for day labourers without cottages, and the stockmen 14*s.* to 15*s.*, and they get 3*l.* a year at harvest, and perquisites in the hay time.

25,413. And the wages have remained about the same of late years?—I think there has been very little difference since I have known the district.

25,414. Had you previously farmed in another part of the country?—In Hertfordshire.

25,415. What has been your experience there?—I will not say bad at all, because the land is better and the labour is better.

Suggestions for improving the condition of tenants.

25,416. Now what are your suggestions with regard to the improvement in the condition of tenants in farming?—The first is, that I think that the farmer should be encouraged to farm better by receiving greater security for the improvements he makes, and by fixity of tenure, and by freedom to make certain improvements without consent, with a freedom in cropping and in the sale of produce, by compensation for disturbance, and by the abolition of distraint for rent.

25,417. Those appear to be rather alternative methods; they are not suggestions which would all be adopted at once?—Probably not.

25,418. Fixity of tenure seems to imply all the others?—That is what some people say; I do not think that it does.

25,419. Perhaps you will explain what you mean by fixity of tenure?—With regard to fixity of tenure, I should adopt the lines chiefly, or rather, generally speaking, the lines that Mr. Smith includes in his Bill, although many of us held the same views long before Mr. Smith's Bill was heard of.

25,420. That, in point of fact, would be the adoption almost of the Irish system?—Very nearly so.

25,421. That is to say, you would recommend judicial rents and free sale?—Yes.

25,422. And fixity of tenure?—I would.

25,423. That is to say, when once a tenant has come into possession, that he should be entitled, notwithstanding any agreement he may have come to, to appeal to a tribunal as to the rent?—Yes.

25,424. And that he should, as long as he confines himself within the conditions, be entitled from time to time, to a renewal of his lease?—Under certain conditions; fair conditions to the landlord.

25,425. And that he should have the right of assigning his interest without the consent of the landlord?—That is a point I will not express an opinion upon. I have not gone so far as to declare, in my opinion, whether I would do so, as to the assignment.

25,426. It might differ from the Irish system?—Yes.

25,427. But you have not come to any conclusion on that point?—I have not.

25,428. Have you considered whether it would be possible to give the other two without also going to the extent of giving the right of free sale? I ask that question because when the Irish Land Bill was under discussion it was always argued that the three went together—that you could not give one without giving the other too?—Certainly, I would give free sale. It is simply a question of assigning the right on the death of the tenant. That is the point I have not made up my mind upon.

25,429. But presuming that those two were given, the judicial rent and the fixity of tenure, would it be further necessary to carry out the other suggestions you make, namely, security of improvements and compensation for disturbance?—Yes, I think it would.

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25,430. Because there would be no disturbance if there was fixity of tenure, and if there is fixity of tenure there would be no change of tenure without the consent of the tenant?—Number 4 is clearly an alternative proposal for disturbance.

25,431. That is what I understand—they are alternative propositions?—Yes.

Reduction of rent.

25,432. In your own case have you asked for a reduction of rent since you have been a tenant?—Yes.

25,433. Have you been refused?—I have been refused.

25,434. On what ground?—No ground assigned at all.

25,435. I suppose mainly on the ground that you are a substantial tenant?—I had a remission instead.

25,436. In your district do you consider that the land is over-rented?—Some of the land is let at a fair rent, at least the majority of the land, but the remainder is distinctly over-rented.

25,437. And held under a yearly tenancy?—Generally so.

Average rent.

25,438. Can you give what you consider a fair average rent in that district?—About 10*s.* an acre.

25,439. What should you say the actual rent averages generally?—I should say the rent averages 12*s.* probably.

25,440. Has there been any discussion among the tenants in that district with reference to these proposals?—Very frequently.

South Hants Farmers' Union.

25,441. Is there an Agricultural Association there?—The Association of which I have spoken, the South Hants Farmers Union.

25,442. Have they come to any resolution on the subject?—Yes, we have.

25,443. In favour of fixity of tenure, or in favour of what?—The resolutions we have arrived at have been sent to the Chamber of Agriculture, and although they are not quite so bold as my own they are upon the same lines.

25,444. How far do they go? When you say they are not quite so bold one would like to know exactly what they are?—I mean they do not commit the Union to the actual principle, or rather to the actual wording that I give you, but to the principle.

Agricultural Holdings Act.

25,445. Would you give us the exact nature of their proposal?—"Record of farm on a change of tenancy "to be made by the official valuer"; "concurrent "notice of claims made by both landlord and tenant "not less than one month before expiration of tenancy," "appoint county valuers at fixed moderate rates of "remuneration."

25,446. "Fixed moderate rates of remuneration"; does that mean on the change of a tenancy?—That means the charges made by the valuers would be fixed and moderate.

25,447. That has not reference to rent?—No. Their other recommendations are "improvements under first "schedule to be limited to buildings, making of water "meadows and irrigation, application of water power, "warping land; compensation for home-grown corn "consumed on the holding;" "repeal Act and pass "new one. Freedom of cultivation and sale of all crops. "Uniform system of valuation for hay and straw."

25,448. Those recommendations do not contain anything on the subject of tenure; they do not go the length as I understand them of recommending judicial rents or fixity of tenure?—They do not.

25,449. When you said just now that they were not so bold as your proposals, you meant that they did not go your length in asking for those two proposals?—No.

25,450. They confined themselves to what are practical recommendations for amending the Agricultural Holdings Act?—Yes, that is so.

25,451. (*Mr. Chaplin.*) I understood you to say that the resolutions of this association did adopt the principle of your proposals; as a matter of fact, from what you tell us now, they do not adopt it. I want to make that quite clear?—I do not think I said the resolutions that they had resolved, but that the members adopted the principle. Perhaps I may explain that what has

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been done has been partly my own resolution. My resolution was drawn with the object of passing a resolution, and I therefore drew it distinctly in an essentially moderate tone, so that the whole chamber might be united.

25,452. (*Chairman.*) Then there was a difference of opinion, and you thought it best to combine the whole in one recommendation in favour, as you say, of the more fair proposals?—The more moderate.

25,453. There was discussion upon the subject, and there was some difference of opinion, and you desired to have a general concurrence in their recommendations, and therefore you limited your proposals to the more moderate ones?—Exactly so.

25,454. Of course it is all-important that we should know whether your views upon these stronger measures represent the views of the association?—Exactly so.

25,455. But apparently they do not, although there is some opinion in their favour in the association?—Quite so.

Improvements under Schedules II. and III.

25,456. Now, short of these bolder suggestions, or these wider suggestions, what do you think should be done?—With regard to improvements, I suggest that the tenant should be free to improve in accordance with Parts II. and III. of the existing Act, and that in addition he should be permitted to lay down land to grass, to plant osiers, to make gardens, to make orchards, to plant fruit bushes, to make, remove, or repair fences; to plant hops, and to improve roads, ponds, or watercourses; and, further, that he should be allowed to obtain remuneration for the consumption of home grown corn upon the holding, for seeds two years or over if they are worth leaving down, for increased fertility due to good farming and any other improvement which is really an improvement not included in the above.

25,457. Some of those apparently have relation to agricultural produce, to the growing of crops and so forth, such as the laying down to permanent grass, and the planting of hops; the others, I think, have relation to more permanent improvements such as buildings?—Yes.

25,458. Do you think that tenants should be allowed under the Act to erect buildings of a permanent character in the same manner as they can effect improvements now under the second and third schedule, without the consent of the landlord?—No.

25,459. You do not think so?—I do not think so.

25,460. I thought that was one of your recommendations?—I do not include the erection of buildings.

25,461. (*Mr. Little.*) All the other improvements that are now in Part I. would be removed to Part II. I understood; was that so?—No; I suggest that the tenant should be allowed to improve as per Parts II. and III. of the schedule of the existing Act.

25,462. (*Mr. Channing.*) With the exception of buildings only, or with what exceptions?—I have not got the exact items with me, I had just taken down what I thought was a proper thing to recommend.

25,463. Still, at all events buildings, of course, are most important?—Part I. includes the erection and enlarging of buildings and formation of silos. Those are two points I do not include in my recommendations.

25,464. (*Chairman.*) You think the compensation should only be given for those in the event of their having been erected or improved with the consent of the landlord?—I recommend that the tenant requiring any improvement such as Part I., exclusive of those points that I have mentioned, should give notice to his landlord, and if the landlord is unwilling to make the improvements or to carry out the improvements, the matter should be referred to an umpire to be selected from a number appointed by the Board of Agriculture, and agreed upon by the two parties.

25,465. (*Mr. Channing.*) That is, consent or reference is the principle you would apply to those?—Or reference to an umpire.

25,466. (*Chairman.*) It is somewhat different from the proposal of the Act dealing with drainage?—Yes, it is.

25,467. The tenant should only be entitled to compensation if the landlord has refused to effect them himself, and then the arbitrator has to determine that they are reasonable?—Exactly so.

25,468. Of course under Part II. the drainage can be effected by the tenant, and compensation can be claimed by him if the landlord has refused to do it himself?—Exactly so; that is quite satisfactory.

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25,469. But I think you do not go quite so far as that?—I would leave that quite as it is. I think the conditions of a farm should be recorded for the guidance of the valuers.

25,470. On every change of tenancy?—Yes.

25,471. Then you further suggest that there should be compensation for disturbance in a fixed going concern; is that recommendation based on the earlier of the Irish Land Acts?—No. May I come to that in a minute or two?

Landlord's claims.

25,472. Yes; I only wish to take your evidence in the order you desire?—The landlord's claim should be confined to two years. I do not think that notice of claim is necessary. That is a point that has been much debated. I think that valuers should be required to carry out the Act upon the expiration of a tenancy. I should be quite satisfied if on leaving a farm the valuers—my own and my landlord's—met together and determined the sum to be paid or received, simply being guided by the Act of Parliament. I do not think that notice is at all essential, because there is nothing to be gained by it.

25,473. (*Mr. Chaplin.*) On either side?—On either side.

Compensation for disturbance.

25,474. (*Chairman.*) Then with reference to your proposal for compensation for disturbance?—I should like to give you a case in point. An owner of a property, the previous owner having died, wishes to turn out his tenant, and go and live on the farm and farm the place himself; the tenant during the course of a number of years has formed a business connexion; he has a large milk connexion, or for the sale of straw, hay, stock of various kinds, potatoes, and dairy goods; he has built up this business, and he is compelled to relinquish it in favour of another person, and without the payment of a single penny. Moreover, the loss entailed in leaving one farm for another is very considerable, and a man may have to begin life again.

25,475. Then you would meet those cases by providing that there should be some compensation for disturbance?—Yes, by reference.

25,476. What would be the measure of that?—I would simply refer the case to the umpire, and accept what he decided to award.

25,477. You would not lay down any rule such as in proportion to the rent?—I do not think you could. I think the evidence should be given as to the actual state of the case, the value of the business.

25,478. (*Mr. Channing.*) You would not attempt any scale based so many years rent as in the Irish Land Act, would you?—I would not. I think you must be guided by a man's business.

25,479. (*Chairman.*) Then if instead of building up a business such as you speak of, the farmer has sold his produce in the open market from week to week or from month to month, would he then be entitled to compensation for disturbance?—As a matter of fact he cannot sell his produce in the open market. He may sell his corn and he may sell a portion of his stock, but he cannot sell it all in the open market, because there is no open market for a large amount of produce. You cannot sell your hay, your potatoes, your dairy produce, except milk, nor can you sell vegetables or fruit in the open market.

25,480. I should have thought in the case of dairy produce that what you say is correct, that is that it is generally sold to some customer, but I should have thought that fruit and hay and so forth would be sold in the open market?—I know by bitter experience that it is not so—dearly bought experience.

25,481. In cases where the farmer has not built up this connexion but has sold in the open market, would you suggest that there he should be entitled to compensation for disturbance?—Certainly, because he cannot leave his farm without loss of some kind, it may be small but there must be a loss.

25,482. But still it would be reduced in such a case?—Unquestionably.

25,483. It would be only the loss caused by the change from one farm to another?—There is the risk as well.

25,484. The arbitrator would not give him any compensation of the nature you speak of, namely, for

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building up a business?—Not in that case, but having a farm in hand, having understood the land he farms, he is in a position to do well with it if it is worth his keeping. Going to a new farm he has to begin again and learn the value of the land he is going to farm. I believe, if the tenants were engaged in the way I suggest, or even in a modified form, that a great deal of poor land would be brought into cultivation. Men will not take poor land because they know they are bound to farm it well in order to make it pay and to put capital into it, which they are prevented from doing by the existence of the present law. I should like to add that I think the landlord should be entitled to compensation for neglect on the part of a tenant and for bad farming, allowance being made for seasons, and, further, that the interpretation of the words "bad farming" should be in accordance with science as well as common sense.

Landlord's claims.

25,485. Then the liability of the tenant to the landlord might be considerably increased beyond what it is now?—Exactly.

25,486. That would be a kind of counterclaim on his claim?—Certainly. Whatever is fair on the part of the landlord should be allowed for by the umpire.

25,487. And to a large extent depending upon the valuation of the farm and of the full specific account being given of the farm at the commencement of the tenancy?—Quite so.

25,488. Would it be possible, in your opinion, to apply this to farms now in possession and which have been for some time in possession of the tenants, because there would be no record of the condition of the farms on the first entry by the tenant?—I think in the first case that arose it would be essential to obtain evidence from persons who knew the farm upon the entrance of the tenant.

The Ground Game Act.

25,489. Then I see among your heads of suggestions this: "Penalty for violation of the law as in existing Act"; what do you mean by that?—I was asked some time ago, to address a farmers' club consisting of some 200 members upon the Agricultural Holdings Act and the Hares and Rabbits Act. I was told that every man had to contract out of the Act although the Act had been passed some three or four years, and that further they were not allowed to kill the hares and rabbits upon the estate. I told them that I would not attend unless I was assured there would be no desire to cause friction between them and their landlord. I heard upon this point and I went down, met them and the agent of the estate, and I found that upon the back of every rent receipt was a contract contracting them out of the Act of Parliament, and that they were also forbidden to shoot hares and rabbits. The concession was made at a meeting which took place, and the thing was at an end. What I mean is this: that if anyone wilfully violates the Act as in that manner he ought to be made to pay for it.

25,490. Have you known many cases yourself in which the spirit of the Act is not observed?—Very many indeed. It is quite common with regard to hares and rabbits.

25,491. Where the landlord threatens eviction if the hares and rabbits are killed by the tenant?—I will not go so far as to say that because it would be difficult to prove it. I can only give you the statements made by the tenants themselves that they dare not do it; and that is particularly the case in one part of Lancashire covered by the Federation.

25,492. Have you found it so in Hampshire where your farm is?—In parts of Hampshire; in fact, in many parts of the country. I have been engaged in this work in many parts of the country, and I have often found it to be the case.

25,493. Have you experienced any difficulty yourself? Never. I have had the shooting. I would not take a farm without it.

25,494. Then your proposal is that in order to ensure the observance of the Act a special right should be given of compensation in the event of the landlord not carrying it out. Would you mind explaining that?—I mean that there should be a penalty attached.

25,495. Not in the nature of damages?—No, not at all; simply a penalty to pay a fine to the Crown.

25,496. Might it not be just as difficult for the tenant to enforce such a penalty as to enforce the law against the landlord? I do not see for the moment that you carry the thing much further. It would still rest with the tenant to enforce the penalty, and he might be quite as unwilling to do that as to endeavour to carry out the law, that is to say, of killing the rabbits and hares himself?—That is so, certainly. I quite see that.

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25,497. I do not know whether you follow me; at present the tenant has power if he thinks fit of killing the hares and rabbits, as I understand you, and he is unwilling to do so on account of his fear of what might happen to him from his landlord. Now you suggest a further protection to the tenant, namely, that there should be a penalty on the landlord who does not carry out, in spirit, the Act; that penalty would be enforced by the tenant?—Exactly.

25,498. Would there not be just as much unwillingness on the part of the tenant to enforce that penalty against his landlord as to refrain from exercising the right which the statute has conferred upon him?—Quite so. I quite understand that in the case of hares and rabbits, where nothing exists except the knowledge gained from words that you could not make a case; but in the case I have quoted it would be quite possible to make a case.

25,499. I am not so much putting the question of the difficulty of making a case, but the unwillingness of a tenant to take action for the penalty against a landlord, fearing what the result might be to him?—I do not suggest that it should be the tenant who should take the steps. I merely suggest that it should be a penal offence to contract out of the Act, if the Act prohibits it.

25,500. If there is a penalty it must be enforced by somebody, and the evidence procurable for the purpose of enforcing a penalty could not very well come from anybody but the tenant. It must be the tenant who would make the complaint in evidence or otherwise that he has not been allowed practically to carry out the Act in its spirit. Would not the tenant under those circumstances be quite as unwilling to give evidence in support of the penalty of this kind as he is unwilling, according to your account, to avail himself of the privilege conferred by the Act?—I quite believe he would. That is all the more reason why the penalty should exist.

25,501. (*Viscount Cobham.*) Was this contracting out in writing?—It was in print.

25,502. (*Chairman.*) I suppose the contracting out is rare; the commoner case is that nothing passes between the landlord and tenant in writing, but the tenant is unwilling to exercise his undoubted right under the statute of killing hares and rabbits fearing what the landlord might do?—He is most unwilling.

25,503. That is the common case?—Yes, quite so.

25,504. I do not quite see how your proposal for putting a further penalty against the landlord would meet that case?—It would not be very difficult to devise. I would not suggest a legal method of which I know nothing. I merely suggest it as a matter for the protection of the tenant.

25,505. At all events, you could endeavour to enforce the spirit of the Act by further provisions if possible?—I would.

25,506. You stated just now that the condition of the labourers was a serious one?—It is.

Technical instruction of labourers.

25,507. Have you any suggestions to make on that point?—I have made a suggestion to the Director of Education of the Hampshire County Council that the labourer should receive a course of instruction in thatching, in hedging, in hedge carpentry, and in draining and ditching, and various other processes. I called a meeting of our union and proposed this to the farmers. It was desired by the gentleman in question that the matter should come through our body, and I can only tell you that to a man every farmer refused to be a party to the expenditure of a single penny in educating the labourer. I think the matter should be undertaken in all parts of Hampshire and in most parts of the country.

25,508 (*Viscount Cobham.*) What was their resolution although it was not their own money which was proposed to be spent; they objected to any part of the grant to the county council being expended in that way?—Quite so. They thought the men knew quite sufficient and did not want it; they knew too much, in fact. But as a fact to-day it is impossible almost to obtain a thatcher or an expert man of any kind.

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25,509. (*Chairman.*) When do you think this instruction should be given to them—at what time of their lives?—When they are from 18 to 21 or 22.

25,510. Some years after they have left school?—Yes; this particular kind of education.

25,511. How could it be done; would it involve their being withdrawn from their farm work for a time?—It would to a slight extent. I should like to give you a case. We make hurdles for sheepfolds very largely in Hampshire; almost every farmer has his own copse to obtain the wood from. I proposed in this case that a man should be employed—I had a man myself who was willing to do the work—to teach five or six young fellows at a time how to make those hurdles and the sheep cages that they use for putting in the hay; that they should be allowed to have practical classes in the field or in the wood during the hurdle-making season for a large portion of an afternoon once or twice a week. The cost would be extremely slight, and the value to the young fellows would be immense.

25,512. Have you any further suggestion to make with regard to the labourers?—No.

Law of distraint.

25,513. Are you in favour of abolishing the law of distraint for rent?—I am in favour of it distinctly, and I would like to give you one reason. The tenant who agrees to pay a certain rental for a farm is compelled to do so under pain of having his goods taken from him; but if the landlord contracts to do certain work, such as repairs upon a farm, and he does not perform his promise, the tenant has no claim at all unless he goes to common law. That is as I understand the case. Therefore I think it is not fair to compel one man to keep to his agreement by a summary proceeding unless you compel the other one to do the same thing.

25,514. It has been alleged that the system is rather favourable to the small farmer because the landlord is thereby not able to press him so closely for rent?—That is so, but I think that cuts both ways. The landlord is enabled to get farmers who have no capital at all to occupy his land and to pay higher rents, which he would not be able to do if this law of distraint were abolished.

25,515. That, of course, may be a question for consideration with tenants who may come in in future, but in the case of existing small tenants might it not be rather hard upon them to abolish the provision, and might it not result in the landlords immediately pressing the smaller tenants for the full payment of rent, in order to anticipate other creditors?—I think landlords would probably do so, but I think it would be because they had accepted these men without their having sufficient capital.

25,516. Might it not be rather hard upon the small tenants to make such a change in a time of depression?—I do not see why it should.

25,517. The effect might be that the landlords would insist more closely upon the payment of rent?—They would unquestionably do so.

25,518. That occurring at a time of depression might be rather detrimental to the interests of these smaller tenants?—I think it is quite possible that they would not be too hard, because it is not so easy to let the farms in these days to men who have capital.

25,519. It is a question of getting money in preference to some other creditors—that is really the point?—Yes.

25,520. The landlord now feels that he always has a preference over other creditors in respect of a year's rent and therefore he is inclined not to press the tenant?—Yes.

25,521. If an alteration was made in the law with regard to existing tenants there might be an inducement, it has been alleged, to the landlords, at once to put in full force their powers of obtaining their rent, and that might deprive the smaller tenants of this kind of privilege?—I have seen no answer to the statement that the landlord as a preferential creditor is simply taking, in the form of rent, the interest on his capital, whereas another creditor may lose through that action on the part of the landlord not only his interest but his principal. I have known cases of that kind where the landlord had seized for rent and has actually taken the implements and the machines which have been sold to a tenant by a neighbouring agricultural machine maker or seller, who has lost the whole.

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Light railways.

25,522. Now go on to the next point—the promotion of rural railways—what do you mean by that? Do you mean something in the nature of light railways or tramways?—I should like to call your attention to the Belgium system as carried out by the "Société Nationale des Chemins de Fer Vicinaux" which has 67 railways of from 2 to 35 miles each in length. These railways are in the neighbourhood of most of the principal towns in Belgium. The capital was furnished by the State to the extent of 27 per cent., by the provinces of 28 per cent., by the Communes of 41 per cent., the balance being provided by private individuals. These railways have a tariff which compares with very great advantage with the tariff of our own countries. The charge is as low as 5*d.* a ton for a fixed rate with a variable rate of 7 to 13 centimes per ton per kilometre for ordinary traffic. They also have a special rate under which four tons are carried for 1*s* 2½*d.* for all distances or per kilometre for 1½*d.* There is also a fixed charge of 5*d.* a ton or four centimes per kilometre; under this heading agricultural produce is included. Stock, hay, straw, manure, food, coal, and fodder of all kinds are being carried at this exceptionally low rate.

25,523. Are these railways that you speak of independent of the main lines?—Yes, but in connexion with them, they are light rural railways.

25,524. Do they go alongside of the main roads?—Generally.

25,525. Do they carry passengers as well?—They do, and the farmers are allowed to take in their small produce to the towns for sale without charge. Milk is taken for distribution free of charge, and the empties are returned free.

25,526. Do you know what the financial result has been?—I believe interest has been paid to the extent of 4½ per cent., in fact it is provided for by the law. So far they have been quite a success.

25,527. When you say it is provided for by the law, do you mean to say that that is guaranteed by the State?—I should have liked to have quoted to you the exact words. What I mean to convey—I did not convey it before—is that they cannot pay more than 4½ per cent.

25,528. (*Viscount Cobham.*) What interest do they earn?—I cannot say.

25,529. (*Chairman.*) Is the 4½ per cent. paid by the State?—It is not a State affair. This Company is under the ægis of the State, shall I say: the king appoints the president, and I think one-half of the directors are appointed by the State, and the other half by the shareholders.

25,530. (*Mr. Whitehead.*) Do you know what the cost of construction is per mile?—I do not, I hope to obtain that figure shortly.

25,531. (*Viscount Cobham.*) Do they have to pay for the land?—That I do not know. I believe they are nearly all on the side of the highway, where there is no cost at all.

25,532. On the highway itself?—On the side of the highway. I have seen some of the railways abroad, and that is the reason why I brought it before the Commission. The same thing occurs in Italy. I rode from Lodi on a rural railway right into the country to see some of the Italian farms. It was built on the side of the road. It was built, I believe, by an English Company and it is in charge of English people. The people there can take their produce backwards and forwards at a very small cost indeed. It has been suggested that we could not carry the system over the higher lands in Yorkshire, for example. I should like to suggest that the Alpine system could be adapted to any railway system so that the rural railway could climb over the highest mountains we have, as it does in Switzerland.

25,533. (*Chairman.*) Are the carriages on this line of the same kind as the ordinary railway carriages, or have they to tranship the produce?—That I cannot answer. Those I have ridden upon have been narrow gauged. The carriages are quite as wide as usual, but the wheels run up upon narrow gauge rails.

25,534. Are they adapted to go from one gauge to the other?—I think they would be on the American system in which the carriage is put on to another pair of wheels.

25,535. As I understand, you would extend that system into England?—Yes. I have seen the same thing in America, and have ridden on rails in the

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Western States, and in the Eastern States as far as 10 miles from a town.

25,536. Do you know why the Acts relating to light railways in England, or rather the provisions for encouraging light railways here, have failed?—I do not know. In connexion with this question I should like to give this illustration from my own case. Last year a man with one horse and cart was employed on 120 different days in journeying backwards and forwards from the farm, which was in Hampshire, to the railway station, and on 15 days (I am taking a particular case) a man was employed going from Romsey to Southampton also twice daily to the station with milk. This was done at an enormous cost, a very large portion of which might have been saved by the adoption of the rural railway system.

25,537. How far are you from a railway station?—About two miles on the high road.

Supervision of markets.

25,538. Now what have you to say about the supervision of the produce markets?—That is a matter which it seems to me should be taken in hand with vigour by the authorities. I have sent every kind of produce to our markets in London, hay, roots, potatoes, stock live and dead, and I do not remember a single instance in which there has not been some deduction, or some fraud on the part of the salesman. I suggest that every consignment should go through a market official, that the consignment should be entered in official books and weighed, and that the price realised should be recorded together with the name of the purchaser. I also think that there should be a central auction sale, as in Paris, for the sale of butter and cheese and small produce. If you send your produce to London, it does not matter how careful you may be in weighing, there is always a deduction made for short weight. If you take the market prices of the day, or even the market price as quoted by the salesman himself two days previously, you invariably find that the price he gives you, whatever class the produce may be, is lower than what he has quoted or what the papers quoted. I think there should be some means of defending the producer as against the London salesman.

25,539. Would you advise that there should be more markets in London?—I think there should be a central produce market to answer to the Paris Halles where butter, and cheese in particular are sold by auction. I could mention a single case which occurred recently. Lambs were sold in Hampshire from my own farm at a price of 40*s.* a piece; being overstocked I sent a draft of the same to London by railway, and in spite of the published prices in the papers they realised 25*s.* a piece, or about 6½*d.* a lb. as against 11*d.* a lb. in the neighbourhood.

25,540. Do you think that they were sold improperly, or that the agent did not remit you the money?—I am quite confident they were sold by the agent at a price which he did not quote to me, and that he paid me what he chose. I know from dealers who make it a business to go from Hampshire to London with sheep that it is a matter of personal communication, and of doing the best you can with the salesmen. In the Smithfield Market there is a market book in which every salesman of hay is compelled to enter the hay he receives from a country consignor, the price he realises for the hay, and the person to whom it is sold. You may consign hay to one of these men. He may take it from the station and deliver it direct to one of his own customers without going to the market at all, and thereby he evades the market book, and this being the case, he defies you and you have no remedy. This has occurred very frequently, and it has occurred to myself, so that I am able to speak with confidence upon it.

Adulteration.

25,541. Then what have you to say upon the prevention of unfair competition?—The sale of meat was dealt with last year by the Select Committee. With regard to milk it is frequently sold in London in the winter season at 3*d.* a gallon, when it is actually costing the wholesale man as much money. This is owing to the fact that the milk is mixed with separated milk. It unfortunately happens that there are no means—I think I may say no means, actually, when it is skilfully mixed—of detecting fraud, because if the dairyman is a skilful individual he can maintain the solids and the fat of the milk at something above the normal standard. Therefore he is able to sell this produce at a lower price than he could otherwise do, and the farmer is defrauded in consequence. I think that should be taken in hand by the authorities, and that the question of the admixture of margarine with butter should also be taken in hand. With regard to milk itself, my suggestion is that there should be a standard defining pure new whole milk as milk containing 12·25 of solids and 3·25 of fat. These standards, I am quite aware, would be objected to by many persons in the trade, but the standards are much higher in New York and in Boston, where the laws are very stringent, and they are produced by farmers in a general way with the greatest possible ease.

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Sale by live weight.

25,542. Then with regard to the sale of cattle by weight, what have you to bring before the Commission?—I wish to make this suggestion: that although weigh-bridges are in many cases now set up in the markets it is not compulsory upon the auctioneer to have the cattle weighed before they are offered in the ring. In the great market at Perth the cattle have to pass over a weigh-bridge of the kind over which there is a dial which indicates the exact weight of the beast or group of beasts, and although this is not always used, because it is not binding, my suggestion is that it should be compulsory upon auctioneers to indicate the actual weight of every beast they sell, for the simple reason that the butchers and the dealers who form rings invariably get the best of the farmer, who has less experience in weight, and who cannot compete with them when they combine. I give you this as my own experience, because I have had frequently to fight these rings myself, and have generally been beaten.

Cattle diseases.

25,543. Then with regard to cattle diseases what have you to say?—I think tuberculosis should be scheduled as a disease to be paid for, every diseased animal being destroyed, and paid for at its market value, and every animal in contact being also destroyed (unless the veterinary surgeons have any reason to believe there is no fear of disease breaking out), and also paid for at the market value. I further suggest that abortion should be taken very seriously in hand by the Government. It is now known to be a contagious disease—I think I am right in saying so—and one which inflicts enormous danger upon an owner of stock. I have twice had this disease in my own herd, and I am perfectly satisfied that it has arisen entirely from contact with diseased beasts; and that you cannot stop it under from a year to 18 months, even when taking the greatest possible trouble. I think the Board of Agriculture should define some system of checking the disease, and that farmers should be enabled to apply to the Board for the services of a skilled man to come down and advise them how to carry out the work of checking abortion. I am quite satisfied that unless farmers are paid the value or something approaching the value of the stock they have which is diseased, nothing in the world would check it. This applies particularly to swine fever.

Market gambling.

25,544. Then with regard to legislation for preventing speculation in agricultural produce, what have you to say?—This is not a question I am very well acquainted with. I simply wanted to tell the Commission that last year I went to the New York Produce Exchange and was initiated into this subject which I wished to understand, and that I was thoroughly convinced that the system of speculation exists, and that wheat is sold as well in England as in New York, which the seller has no control of whatever. It appears to me to be put in this manner, and I give you the case as it was put to me by one of these speculators himself. The seller is a speculator buying and selling on the chance of gaining more money by his gains than he loses by his losses. He is always willing to sell wheat at a price although he has no control of it, and he trusts entirely to the future to obtain sufficient wheat to cover his sales, but in some cases he cannot do so, and is compelled to buy from the very persons to whom he has sold. This is a thing that I do not think can possibly be denied, because they admit it themselves on the New York Produce Exchange. I think it ought to be made penal for a man to sell what he does not possess; the markets are inflated by those operations.

25,545. Do you consider that it tends to lower the price of wheat?—Certainly, because the sales represent a much larger amount of wheat than is actually in existence.

25,546. On the other hand, there is always a purchaser, and one would think that the fact of there being purchasers would tend to raise the price, therefore whatever tendency there is to lower the price on the one side is met by a tendency to raise the price on the

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other. I find it somewhat difficult myself to understand how speculations of this kind can really affect in the long run the price one way or the other?—Might I put the case in this form. Supposing a small town supplied with butter by the farmers of a confined district, and that they are obtaining as they do in Hertfordshire 16*d.* a lb. for their butter; a speculator comes into the market, which is held weekly, and he offers a similar class of butter of which he shows a sample at 1*s.* a lb. He sells a large quantity of this butter for future delivery, so he forces down the price on the part of the farmers who know that unless they accept a price similar to his they cannot sell.

25,547. That seems a very different case from what you were mentioning just now, namely the speculation in produce where the speculation represents a fictitious transaction; you are mentioning now an actual transaction?—I think the two things are quite analogous.

25,548. What I wish to know is how you consider these sales and purchases of a fictitious character representing futures and options really affect in the long run the price of commodities?—My point is this, that the speculator is offering a wheat which he does not possess, and which may be offered by the actual possessor.

25,549. But the purchaser, on the other hand, is buying that which equally does not exist, therefore the two seem to me to balance one another?—But I take it that in the ordinary way if the sellers are more numerous than the purchasers the price must be reduced.

25,550. It may be that the purchasers are more numerous than the sellers—that depends upon the drift of the speculation?—Of course it is a matter of price, and the price is reduced in consequence of the offers.

25,551. It seems to me not dissimilar from the speculation in Consols. There is enormous speculation in Consols going on quite independent of actual transactions, and I never heard it suggested that they materially affected the price of Consols in the long run?—Suppose A has wheat which he offers in the market at 65 cents, and B offers the same wheat, over which he has no control, at 64 cents, and C offers the same wheat at 63 cents, to me it is quite feasible, it is quite convincing, that the fact of these three men offering on the market the same wheat at different prices must necessarily tend to reduce the price.

25,552. On the other hand there are three purchasers equally tending towards raising the price, do the two not balance one another?—I do not think so. I think that the purchaser from A would naturally say "I can "go to B or C because there are three sellers in the "market of the same class of wheat and therefore I "will go to the cheaper man."

25,553. (*Mr. Everett.*) But these option sellers are not prepared to deliver the actual commodity are they?—A would be prepared to deliver it at a price on the spot, B would deliver it a little later at a higher price, and C still later and at a still higher price.

25,554. I thought these gambling transactions did not contemplate the passing of the article at all, that neither the seller nor the buyer expect to receive or deliver the article?—It never passes except on paper.

25,555. How can that affect the actual article itself; it is a bet on the movement of prices?—Simply that three men are offering one class of wheat, one parcel of wheat, which is not known to the buyers; therefore upon the assumption that a larger quantity of wheat is exposed or saleable than is in existence the price must be reduced, because the larger the quantity you have in the market, the lower the price.

25,556. (*Chairman.*) At all events I suppose we may take it you have formed the opinion that this form of speculation does tend to reduce prices and therefore should be abolished?—I would not give you my opinion but for having been to see the thing on the spot in New York.

Brewing.

25,557. Now will you tell us what you have to say in regard to the manufacture of beer from barley?—In 1891 the imported barley amounted in value to 5,941,000*l.* and in quantity to 35 million bushels of 56 lbs. each. The quantity grown in Great Britain and Ireland was 79½ million bushels. In 1891 also, I should like to quote this fact, one London brewer consumed in the manufacture of beer 736,000 bushels of malt and 16,500 cwt. of sugar; in the following year the same brewer reduced his malt consumption to 452,000 bushels and increased his sugar consumption to 76,000 cwt. or more than four times the quantity. In London the quantity of sugar used per 19 bushels of malt is 1 cwt. Upon the basis of this London brewer, instead of 56 million bushels of malt being used, we should only use 7¾ millions per annum. My suggestion is that beer made from sugar or by the aid of sugar, that is to say from cane sugar, or beet sugar, should be called by another name and a tax inflicted upon it. I believe for two reasons this should be the case, first because it interferes unfairly with the barley producer, and next because it interferes with the health of the people.

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25,558. Have you any evidence to show that it interferes with the health of the people?—Nothing, except medical evidence, which I have observed for some time.

25,559. I think the brewers now, almost without exception, use some amount of sugar?—Almost without exception.

25,560. I believe there are only one or two firms who do not?—I believe there are only two well-known firms who do not.

25,561. With these exceptions they all use sugar, and is it not the common experience of mankind that a certain amount of sugar is not detrimental to the beer?—I think that is the case; a certain amount of sugar, or something equivalent to it, is beneficial to health; it is excess of it which is unhealthy. Bass' and Allsopps' beer is much better for being made entirely from malt. We have a large brewery in my own town, and it has been publicly stated by a local farmer that as many as 40 tons of sugar arrived by train at one time for this brewery. Perhaps I ought not to say so because they buy my barley. They are perfectly within their right in buying sugar and in using it.

Income tax.

25,562. The next point you have on your notes is local taxation and taxation generally?—I suggest that the farmer should be not merely allowed to have his income-tax charged under Schedule D., but that Schedule B. should be entirely abolished for one particular reason; if the man has an income derived from two sources—from farming and from a profession or business, or from private sources, he is charged under two schedules, and although he may have lost considerably under Schedule B., as a farmer, he is compelled, not only to appeal to the Commissioners, but to pay the tax in order to get it back again after appeal under Schedule D., E., or A., as the case may be. I think that is a very great hardship, and a very improper method of procedure.

25,563. I was under the impression that he had now the option of being assessed under Schedule D. or under Schedule B. without repayment?—Yes, he has so; but my point is this, that if he has an income from two sources, and adding the two together finds that he is under the limit and is not liable to pay income-tax at all, he is still compelled to pay for the income he derives from another source and to claim it back after appealing to the Commissioners twice—first as a farmer, and secondly as a business or professional man, as the case may be.

25,564. Is he not in exactly the same position as any other trader in that respect?—No, I think not.

25,565. My impression is that the farmer does not differ from other traders in that respect; another trader would have to pay under Schedule D. in respect of his profits, and if it turned out that those profits plus any other income that he has are such that he would be entitled to abatement or exemption, he would then have to make a claim especially on that account?—If he has private property he is compelled to pay on that, because it is paid by his tenant, and then he makes a claim and gets the money back again. In this case that I am putting there are two businesses—the one the business of a farmer, and the other business under D. or E.; and I contend that he should be allowed to balance one business against the other, and either pay upon the balance or not pay anything at all. But instead of this he is compelled to pay under the schedule for the business or profession.

25,566–8. That is to say, if he takes advantage of Schedule B., I suppose?—Schedule B. or Schedule D. either. I have a case in point that I could refer to.

25,569. What is the case?—A case in which I am personally interested. The tax was charged under Schedule B. and under Schedule D.; the charge under

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Schedule B., that is to say, the farmer's tax, was excessive, because a profit was not made, but this was not allowed to be placed against the charge under Schedule D., the income from other business sources, and this Schedule D. was compelled to be paid, and the claim made to the Commissioners to get the money back again.

25,570. (*Mr. Little.*) Successfully?—It is not settled yet.

25,571. (*Chairman.*) I think under the proposals now before Parliament the number of tenant farmers who have to pay income tax at all will be extremely small with the reductions of rent which have now been carried out, and the increased exemptions and the increassd abatements?—I quite admit that. But I do not think it would be fair to compel even a single man to pay a tax that he was not liable to pay. We know—everyone knows who has gone into the question, that there are plenty of farmers who do pay the tax under Schedule B., because of their ignorance of the entire thing. If you charge a man in accordance with his profits as you do under Schedule D, then he knows what he has to do, and he goes and appeals. He says: "I have not made "the income, and I object to pay on it."

25,572. He has the option now?—He has the option, but he does not understand the question at all.

25,573. It is rather a matter of ignorance that he does not know what his legal position is?—My point is that the assumption to-day that a farmers' income is one half the rent he pays plus his tithe and taxes is altogether wrong, and being wrong it is altogether unfair.

25,574. As I have said he has the option of being assessed under Schedule B.; if there is an unfairness in Schedule B. then he can correct it by requiring assessment under Schedule D., therefore Schedule B. can only operate to his advantage and not to his disadvantage. If his income is more than half his rent then if he likes he can be scheduled under Schedule B.?—I quite admit that, but still it would simplify the matter very much indeed and save many a man paying a tax he is not liable to pay if my suggestion were adopted.

25,575. (*Mr. Little.*) Is there any greater difficulty in appealing under Schedule B. than under Schedule D.?—If you are charged under Schedule B. you can go before the Commissioners and state your case, but farmers do not understand that—in my part of the country at all events.

25,576. Suppose a man was charged under Schedule B. he would have to go before the Commissioners and convince them?—He would certainly.

25,577. He would have to produce books?—Or a statement.

25,578. Is it not inability to produce books that prevents the appeals under Schedule B.?—I do not think so. I think the Commissioners very often take statements.

25,579. The appeal is easier made under Schedule B. than under Schedule D.?—It may be quite as easy, but I don't think that is the point I want to convey to the Commission. My point is this, that the farmer does not understand that he can appeal at all; he is charged on Schedule B., and he pays it, whereas if he is charged under Schedule D. and he is told "you are charged as "a farmer, 150*l.* as your profits," then he knows where he is; but if he is told that he is simply charged upon one half of his rent he does not know where he is at all.

25,580. (*Mr. Channing.*) You have to pay your income tax separately in your own case?—Yes, I do.

25,581. I think that would be your position if you were trading in any other way?—If you do business at two different places—yes; that I can understand; but if you are living in one place, and you have two sources of income, I think they should be charged under one head.

Rates.

25,582. I do not know that we need go into the case of the land tax. We have had a good deal of evidence on that point. So we will go on to the question of rates. Do you think that rates should be divided between real and personal property?—I have only to say that I think rates should be equalised between real and personal property, between rich and poor districts; that is all.

25,583. How do you propose that should be done in the case of personal property, assuming that the administration of local affairs is to be local?—I have no suggestion to make upon the point; it is too complicated.

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25,584. Have you considered the great difficulty of taxing personal property when the management of affairs is local?—I have considered that, and I have come to the conclusion that I could not tackle that question myself, and I prefer to leave it alone; I could not make any suggestion. I quite admit the very great difficulty.

25,585. Might not the effect be that you would tax farmers' capital as well as the landlords' capital?—I quite admit that.

25,586. In purely rural districts, would not the effect be that you would introduce the farmers' capital, and subject it to taxation as well as the land, and therefore, that it might be to the detriment of the farmer?—I only wish to refer to the principle that personal property should bear its fair proportion of taxation.

25,587. The application of the principle you admit is one of very great difficulty?—Great difficulty.

25,588. You have not considered any method of meeting it?—No.

Agricultural syndicates.

25,589. Your next point relates to agricultural syndicates. I do not quite understand what you mean by agricultural syndicates?—The term has been applied on the continent to agricultural associations, which have been formed for the specific purpose of buying the seeds, manures, feeding stuffs, implements, and so on, and by combination, farmers have been able, not only to obtain these goods at much lower prices, but to obtain goods of a much higher quality. As you may be aware, the French have over a thousand of these different syndicates, and we have several in England, one of which is situated near Nantwich, which is very successful indeed. These syndicates are all described in a volume known as the "Annuaire des Syndicates Agricoles," a large volume published under the patronage of the French Government.

25,590. What do you mean by suggesting that they should receive State recognition?—I think that they should receive the same kind of recognition in England that they do in France. The French Government makes subventions to these syndicates, and I believe that farmers are much more willing to combine for purposes of this kind when the initiative is taken by the authorities.

25,591. You do not mean that they should have any legal status different from that which they have now, but that they should receive some assistance from the State in the shape of a subvention?—I think that the State should initiate their institution, and should also not only recognise them, but subscribe even slightly to their maintenance.

Agricultural education.

25,592. Then with regard to agricultural education, your next point, you have already told us what are your suggestions with regard to the labourers. Do you think that greater facilities should be given to farmers' sons?—Upon this point I have made investigations upon the subject in America and in several of our European countries. Without exception in those countries they have not only the higher class of education, but a good lower class. I saw the other day in Switzerland, in the Canton of Zurich, a school where farmers' sons are boarded and fed, and taught the practice and science of agriculture for a couple of years at 8*l.* a year. This sort of thing is conducted abroad in a most extraordinary style. My fear is that we cannot pretend to compete against the farmers of the future who are being trained in this manner. If it is not tedious to the Commission, I would just like to read two or three notes. In Belgium they have a chief college at Gembloux. They have also three practical and theoretical schools, Ghent, Huy, and Vilvorde. Seven agricultural laboratories, ten agronomes or professors of agriculture who reside in the country districts, and are at the farmers' assistance, and have assistants also. Then they have also six free agricultural schools, and the Government provides annually 400*l.* for purses for the successful students. In France they have an institute, three national agricultural colleges, a number of primary schools, 16 farm schools, 90 county professors, and in the past year they conducted 3,360 field trials. In passing, I may mention that the students and the professors from one of the colleges came to England two or three years ago to see what we were doing; they came to my farm and I took them to several others, including Windsor. They have also in France

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30 agronomic stations and three agricultural laboratories, two irrigation and drainage schools, 14 cheese schools, besides primary agricultural, sheep, poultry, and milk schools, 18 specialist stations, and in a recent report one of the French officials stated that during the past 10 to 15 years France had reaped a yearly gain of 135 million francs.

25,593. Is this information taken from a report which has just been issued by the Government?—It is all taken from official reports. The whole of this work is claimed to be largely owing to increased facilities and to increased knowledge. Something of the same kind occurs in Germany, Italy, Denmark, Sweden, Norway, Switzerland, and America. In 1892—perhaps you may not have seen this figure—the American Government issued 40 million pages of agricultural matter; they have 63 colleges and schools; the revenue for the year 1892 was 3,444,000 dollars, of which 1,700,000 dollars came from the central government. In addition to this they received for equipment one and one-third million dollars. In the course of the year there were 11,358 students passing through courses varying from one to four years, the cost to the students being from 72 to 320 dollars per annum; the average being 140 dollars or 28*l.* This was the fee which was paid at the University of Wisconsin which I was at last year at this time. Then they have 52 experimental stations.

25,594. (*Mr. Channing.*) Are any of these free schools in the sense that they have scholarships or anything of that kind?—No, there are no free schools. Each of the 52 agricultural experiment stations receives a sum of 3,000*l.* from the Central Government. The total revenue is 200,000*l.* with 20,000*l.* in 1892 for equipment.

25,595. (*Chairman.*) Do you think this system should be extended into this county?—I think something much more extensive than we have should be carried on here for the benefit of our farmers.

25,596. And that each county should have an agricultural expert?—I think it should. I think that the county experimental work which is being conducted now to some extent should not be, as some have suggested, in the form of a distinct station, because I believe that the work that may be conducted at a particular station upon particular land would not apply to every farm, but might be misleading. I think that the work of a teacher or of a professor should be to visit the farmers on their own farms and to assist them in conducting simple experiments for themselves which would be much more valuable than having county stations. At the same time I think there should be central stations.

25,597. Should great attention be paid to horticulture and orchards?—I think so.

25,598. Would these experts advise as to orchards?—Yes.

25,599. Do you think much more might be effected in horticulture and in fruit orchards?—I think we have little or no knowledge in this country on that subject among farmers. We have plenty of orchards in Hampshire, but they are old and diseased, and farmers do not seem to know how to improve them, whereas in other countries they have experts who travel through the country, and teach the farmers to destroy the insects and organisms on the trees, to clean the trees, and to prune, and to graft, and generally to improve the fruit of the district.

25,600. (*Viscount Cobham.*) It is being now done by the County Council, is it not?—We have a travelling teacher in Hampshire, but that is only like a drop of water in the sea. He gives lectures and some simple demonstrations, but I think the work should be done on the farms and in the orchards.

25,601. In many counties they do that to-day; the teachers go about the allotments, gardens, and orchards throughout the county?—I think it is a very desirable thing to do.

25,602. (*Lord Rendel.*) I see you suggest horticultural schools and poultry stations?—I think there should be both horticultural schools and poultry stations for experimental work. If we are to be able to maintain our own against foreign exporters, I think we ought to adopt the measures that they adopt themselves.

25,603. Then in other respects what intervention from the State would you suggest to the Commission would be valuable?—I think that the State, so far as its schools are concerned, should take the initiative, and establish such schools in suitable districts.

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25,604. Now, as regards horse breeding?—My remark is simply this: the Government have done a very great deal, indeed. I only think that there should be more horses at the disposal of the farmers who have to send now very great distances, and who, I know personally—because I have had nominations myself—have had to put up with refusals because of the few horses there are standing. Further, it sometimes happens that the person at whose farm, or at whose establishment the stallion stands, makes his own charge, which is sometimes ridiculously large and which a farmer cannot afford to pay. You may pay two guineas for the fee, and you may be charged six or seven guineas for the keep of the mare. Horse breeding.

25,605. Would you suggest some authoritative regulation of such minor charges?—Yes.

25,606. Now in respect to cattle breeding, what have you to say?—We want something upon the lines of the Shorthorn Society for cattle for the production of milk. In some foreign countries—of which Denmark and Switzerland are two—subventions are given for the service of bulls among the farmers. Some two years ago the British Dairy Farmers' Association attempted to found a herd book for milk cattle. They failed because of the great expense attending the operation. It was found essential that inspectors should be sent to the different owners of the cattle to test the milking power of the cows, and this was altogether prohibitory. I think that if we are to follow in the footsteps of other nations we ought to have a herd book for milking cattle as they have, but only the Government could afford to establish it. Cattle breeding.

25,607. Do you think that the time has come when in those respects intervention is necessary, and would, therefore, be tolerated?—I think so.

25,608. Have you any observation to make with regard to cheeses?—Our national cheeses are Cheddar, Cheshire, and Stilton, but we are consuming an increasing quantity of foreign cheese such as Gruyère, Parmesan, Camembert, Brie, and other kinds. What I suggest is that we should ourselves take up the manufacture of those kinds of cheeses instead of buying them from the foreign producer, whom we are really helping to make. Take the farmers in Normandy, for example, where Camembert cheese is made. They have been converted from a poor class of men into landed proprietors by the action of our own people in buying their produce, and this since the year 1870, the year in which they commenced to send their butter to us. I can go through the whole of two departments, Manche and Calvados, in Normandy and meet no one hardly but thrifty farmers mostly owning their own land and exporting their goods to England. We can make those goods quite as well as they can themselves, and it only wants the initiative taken. No one cares to take up the matter because of the possible loss at the outset, and, therefore, I think it rests with the authorities to make a start. Cheese-making.

25,609. Do you think that some authority should be constituted by subvention which would be able to give the requisite impulse?—Yes, certainly. Some years ago when I was at Cirencester I had then my own place in Hertfordshire, and we started to manufacture Camembert cheese. We found it a most difficult thing to start for there was no one to help us at all except the French, and they were unwilling to give us any assistance, but in course of time the thing was mastered, and it became a business. I think if any farmers were induced to take up a line of that kind they would deserve recognition, and they should be promised assistance, because it is an industry of very great moment.

25,610. Then what have you to say about flax and beet culture?—I know nothing whatever about beet culture, but with regard to flax I have made the attempt to grow it, and I know others who have done the same thing. It can be grown with success, but it seems to me that the difficulty is to dispose of the flax straw, and there, again, it seems that unless the initiative is taken by somebody—and that somebody can only be the Government—we cannot expect to have a national flax industry. Flax culture.

25,611. As to beet culture I think you said you had no personal knowledge?—I have no personal knowledge of it, but there is a great deal of literature on the subject. It has frequently been brought before the Beet culture.

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people, and I do not see why we should not be able to produce beet sugar as well as the French and Germans.

25,612. (*Mr. Whitehead.*) Would the climate be suitable?—It is claimed by those who have a knowledge of the subject that it would be suitable.

25,613. Is it not claimed by others that it would not be so?—It is; but I might remind you that it is made in the South of Sweden very largely. Two years ago I was staying in the South of Sweden, and the Director of the Agricultural College there gave me full details of the work that they perform, and told me that they reaped as much as 40*l.* a hectare of the sugar they produced. The climate is no better than ours.

25,614. (*Lord Rendel.*) Your opinion seems to be that there should be a greater readiness to leave the beaten track with regard to agricultural production?—I think so.

25,615. It is with that view that you wish to suggest these various forms of produce, the success of which you have observed abroad?—It is. I think we are too conservative, and that we could do a deal more than we do if we were to take the trouble.

Fruit growing and the canning industry.

25,616. Now we come to fruit planting. What have you to say on that?—The planting of fruit trees is a matter which the farmer abroad is encouraged to do by being offered rewards for successful planting both in France and in Italy. Although you can go within a very few miles of London and see magnificent planting which pays very well indeed, and the men are willing to undertake the work without any prospect of compensation in case they leave their land, still, when you go farther away into the country you will find that men are unwilling to do so, either for want of knowledge or for reasons which they know best about as regards compensation. So long as we import the goods from foreign producers which we can produce at home, I think there should be some encouragement given to farmers to produce this class of goods.

25,617. What have you to say about the canning industry?—That is a matter that I observed in the States. Wherever vegetables of a certain class are produced, such as peas, French beans, and tomatoes, and fruits of various kinds the American people are taught to preserve, not by hermetically sealing in the cans, but by using glass and earthenware jars. It is curious that we do not understand the thing in England, but directly a person goes to America he or she is taught to do this work, and they do it for the winter. I have relatives myself there. The thing is very simple. They do it regularly, and the industry is very large, but we do not attempt this work at home.

25,618. From your own knowledge do you see any reason why this industry should not be established in the British Isles?—Certainly not. It is extremely simple, simpler than jam making.

25,619. In respect of fruit you would regard it as important owing to the precariousness of the markets possibly?—I would indeed. In the report of the Assistant Commissioner for Kent, there is a statement made that the people in the village were allowed to go and pluck the fruit because of its abundance; in another case the statement was that so many hundred weights were thrown away; those might have been canned.

25,620. Have you been aware of cases where fruit sent to a market must be sold at whatever price is offered?—I have, from our own district of Botley. We have a large strawberry district in Hampshire.

25,621. As I understand you would suggest that if canning was resorted to, it would give the grower of the fruit some better command of his market?—Yes, it would.

See control station.

25,622. As to the need of a seed central station, I think you you wish to make some observation?—Yes. If an English farmer desires to obtain information with regard to the seeds he uses, he must send the seeds to one of the experts of an agricultural society. I do not wish to say one word to diminish the importance of the experts in question, but I contend that they have not the experience, and consequently the knowledge which is obtained by men who are doing the work every day of their lives under first class conditions. On the Continent, and particularly at Zurich, where a large party of English people were a fortnight ago, they have a seed control station, and at the Zurich station a large proportion of the seeds sent for examination are sent by English, Scotch, and Irish merchants, simply because they have no place in England where they can send their seeds. This station costs about 1,200*l.* a year. It has at its head the very first man in Europe; the first man because of his experience, and the work is done in a very first class manner. Yet we have no such place in England where the fees would infinitely more than pay for the cost of the whole concern.

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25,623. You yourself, I understand, inspected this establishment recently?—I did, twice.

25,624. In company with a number of others?—With 150 of the British Dairy Farmers' Association. I was Chairman of the recent Conference in Switzerland, and we went there among other places.

25,625. They regarded it as a subject of such interest to themselves personally, that they took that trouble?—They did.

25,626. (*Mr. Everett.*) What is the object of it?—To test the purity and germinating power of seeds of all kinds.

25,627. (*Mr. Channing.*) Is that as an alternative to the use of the Adulteration of Seeds Act here, in order to check the frauds?—No, not an alternative, but in addition to it.

25,628. Are the samples sent by post?—Yes. In France there are, and in England there were, firms where dead seed is sold for the express purpose of mixing with live seed. This has been exposed in the French Agricultural Journals during the past winter. Such a firm did exist in England to my knowledge some few years ago; I do not know whether it does now.

Adulteration of Seeds Act.

25,629. Do you think that the Adulteration of Seeds Act, which was passed some years ago, has had an effect in checking that fraud in England?—It has not had any very great effect. The effect which has been produced upon English seeds has been, I believe, solely or almost solely, owing to the action of the very best class of seedsmen themselves, who are striving very hard to send out a pure article, but then they are in a great minority.

The sale of artificial manures.

25,630. (*Lord Rendel.*) Have you any suggestion to make as to the form which the sale of artificial manures should take?—Yes; this, which is derived from the Swiss practice. In the ordinary way the English farmer buys his artificial manure as nitrate of soda, sulphate of ammonia, or superphosphate, or kainite or basic slag, as the case may be, and he asks for, or he should ask for, the per-centage of soluble phosphate, or ammonia, or nitrogen. But in Switzerland, the chemists at Berne, to whom I am indebted for this information, advise the farmers never to buy a manure in this way, but to buy the soluble phosphates by the pound, and to buy the nitrogen by the pound. That appears to me to be such an eminently excellent plan that I could not forbear recommending it. There seems to be no room for fraud there at all.

25,631. (*Mr. Channing.*) Buy it by the unit?—By the pound. Superphosphate, for example, containing 26 per cent. of soluble, which is a very common manure, we buy by the hundredweight or by the ton, and they buy by the pound at a price fixed by the experts.

25,632. (*Lord Rendel.*) By the pound of soluble phosphates you mean?—Yes.

25,633. Do you consider that is a greater security to the buyer?—Very much greater.

25,634. And one easily realised?—One very easily realised by analysis.

25,635. (*Mr. Little.*) There must be an analysis?—There must be; they must be guaranteed by the seller.

25,636. And where 26 per cent. is guaranteed, is there not generally a contract to pay so much per cent. for what is over, and to receive so much for what is less?—Unquestionably.

25,637. Does it not come to the same thing?—I do not think it does, because in one case you buy your 26 lbs. of phosphates, and if you do not get 26 lbs. you simply ask for the short weight; in the other case you buy your hundredweight or your ton of superphosphate, and you have to go through a long procedure. In the first place, the invoice is generally sophisticated and never very clear. Then you have to get your own analysis under the last Act.

25,638. But take one of your syndicates which you have spoken of. They buy a large quantity for their customers at an agreed per-centage of soluble phosphate,

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samples from the bulk are analysed, and if found to be 27 or 28 or 29 per cent. there is an adjustment of the price in one direction; if found to be 25 per cent. there is an adjustment in the other direction; in what way does it really differ from the system you recommend?—If you are buying from a syndicate I should modify my suggestion.

25,639. Practically the system of dealing with a syndicate would come to the same thing as the system you would recommend?—It would, if you are buying from a firm of which you are a member then I think you have nothing to fear.

25,640. I am speaking of a syndicate which buys from a manufacturing firm for its own customers?—Then if I were the syndicate I would buy the pound of nitrogen, or buy the pound of soluble phosphate.

25,641. (*Lord Rendel.*) I understand you to suggest that the buyer gets more security, that he is getting the quantity of fertilizing material he wants by buying it by the pound of fertilizing matter, than if he bought it by the hundredweight or ton of material, leaving the question of the per-centage of fertilizing matter in doubt?—Yes.

25,642. But you do not go beyond that?—That is so.

Waste land.

25,643. Have you any suggestion to make in regard to waste land?—My suggestion with regard to waste land is that it should be given by the Government to deserving men selected from their past history as being likely to improve the land and to make it pay its way. We should only be following the plan of Germany and Sweden in attaching men to the soil who are essential to it and without whom we cannot hope to cultivate a lot of the waste land of the country. The moors of Lancashire, for example, I believe to be perfectly cultivable if they are given to people who have sufficient capital to build a house and to till the soil, but in their present condition they are simply a waste, while men are starving for want of something to do.

25,644. Then you would revert to very ancient customs?—I would in that case, certainly.

25,645. (*Mr. Channing.*) It would have to be done through the local authority, I presume, not through the State?—I do not commit myself to which authority, but I think it could be done.

25,646. (*Mr. Everett.*) These lands do not belong to the State to begin with generally?—No, generally they do not; in Hampshire they do not, except the Crown property in the New Forest.

25,647. (*Lord Rendel.*) Shall I be expressing in a summary way your evidence as bearing first on the relations of the owner to the occupier and their modification as one form of remedy?—Yes.

25,648. And secondly, the whole of the rest of your evidence appears to bear generally upon State aid and intervention, following very much the common practice and the foreign examples which you yourself have been able to study?—Yes, that is so.

Farming in this country and abroad compared.

25,649. (*Mr. Everett.*) You have travelled a good deal apparently and examined a good many foreign customs; have you ever met with a country anywhere taking it all round, where you have seen farming so good as in Great Britain?—No, I have not. There are many reasons why that is not the case. I have seen plenty of farming as good as the best farming we have. The best farming in France is quite as good as the best farming here, but you may travel, as we travelled to Switzerland a month ago, 500 miles from Calais to Bâle and see the very poorest class of farming, owing not to the people but to the land. But if you go exactly across the channel into the northern parts of Normandy you will see farming that would do credit to the very best of our people, but that is chiefly owing to their instincts being similar to ours, to their good climate, their good soil, and to our markets. The same thing occurs in Belgium. In the rich districts where you have a good outlet for your goods, and where nature helps the farmer he seems to be able to do much better and to place more in the soil than he would do under other conditions.

25,650. (*Mr. Little.*) On the question of the relations of landlord and tenant, I think you said that you practically would adopt the Irish system—you would go on the same lines as the Irish legislation has taken?—Yes.

25,651. The effect of that would be, would it not, to convert the present landlords into rentchargers?—No, do not admit that.

25,652. If the tenant at present in possession was given fixity of tenure with liberty to do what he pleased with the land, the landlord would simply have an interest in the rent?—I have not brought the Bill with me, nor the details of it, which I did not expect to go into, but the details of Mr. Smith's Bill, for example, will show you—perhaps you are quite well acquainted with it—that there are many limits prescribed which certainly enable the landlord to be still a landlord.

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Fixity of tenure.

25,653. (*Viscount Cobham.*) It does not give him power to go upon the farm, except for the purpose of inspection?—Under certain conditions he can take the land back again.

25,654. (*Mr. Little.*) Do you remember what those conditions are?—I do not want to commit myself without having it before me.

25,655. You say under certain conditions the landlord can re-enter upon the land; but are not those conditions that he wants to occupy the land himself, or for members of his family?—Certainly, that is one condition.

25,656. Suppose he wanted it for any other object, he would not have the power of taking it unless the tenant had grossly mismanaged it, would he?—Then I do not think he has anything to complain of in that case.

25,657. Then the landlord would practically have a very small interest in it beyond that of the rentcharge which was reserved to him by some public authority?—I take it that the interest of the landlord is in the land for the rent he obtains.

25,658. Solely that?—Not always, certainly. Many landlords have the property for the purposes of enjoying it, but if you let your land it is for the purpose of some other person's enjoyment.

25,659. Does the landlord have no enjoyment of the land which he lets under present circumstances—is there not the sense of possession?—Certainly, as the owner he has, and I do not see that anything would prevent him from enjoying the same privileges under the new Bill.

25,660. Suppose he is only allowed to manage the land to this extent, that he takes the rent of this tenant or some other tenant; does he not then become in fact a mere rentcharger?—It is a matter of terms; I do not see that at all.

25,661. He has nothing to do with the management?—I quite admit that.

25,662. (*Viscount Cobham.*) The landowner would only apparently be entitled to go upon the land for the purpose of mining or taking minerals, quarrying or taking stone, opening or making roads, fences, &c., viewing or examining at reasonable times the state of the holding, buildings, improvements, and so on?—He has not many more privileges now.

25,663. (*Mr. Little.*) He has the power of resuming possession. Do you think the present tenants—many of whom have entered upon their farms within a very short period—have established a claim to be put in the place of the landlord, and to be practically the permanent owner instead of the landlord?—A great many have and a great many have not.

25,664. Would you, because a few have, or a great many have, give all that privilege?—No; my object in recommending this course is, to give men an incentive to put money into their land, and to improve it.

25,665. Suppose they do not put money into it?—Then they will fail, and the land too.

25,666. Suppose a man has put no money in—you yet give him fixity of tenure?—I would give him privileges which he has every right to enjoy so long as he is accepted as a responsible and good tenant.

25,667. But the man who has taken a farm three months ago at a very low rent is to be the permanent owner of that land?—I would not go so far as to deal with a case of that kind. There might be means found of excepting such a case as that; the principle is what I deal with.

25,668. You would only give fixity of tenure to a tenant who has improved the land, and thus established a claim?—I simply wish to deal with the principle—the details are matters which would be dealt with by others.

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25,669. It is scarcely a matter of detail, is it? it is the conversion of the tenant into, at any rate, a part-owner, is it not?—Certainly, I quite admit that.

25,670. It is establishing dual ownership?—I think if I take a farm I am entitled to be considered as worthy of being retained upon that farm so long as I do it justice, and put my capital into it, and I think if I do that I am entitled to have that capital secured.

25,671. Can that capital not be properly and fairly secured without giving you fixity of tenure?—I should very much question it. The present Act is entirely a failure in that respect.

25,672. Then you say you are willing to adopt something like the Irish system—are you acquainted with what the Irish system of tenure was?—I know the Irish system is the process or the growth of a great many years.

25,673. Before the recent legislation do you know what were the relative positions of landlord and tenant?—I should like to add that I did not use the term "Irish system" at all—the Chairman put that into my mouth.

25,674. I understood that the Chairman asked you "Is not this the introduction of the Irish system," and that you admitted it was?—That is so, so far as dual ownership is concerned.

25,675. Then was not the principle upon which the Irish legislation was based this, that the tenants had made all the permanent improvements, and the landlords had made none?—I believe it was.

25,676. Is that the case in England?—No, it is not.

25,677. Then there is a difference between the case of Ireland and England?—But I am dealing with the future, and not with the past.

25,678. You heard the last witness describe the relations of landlord and tenant in Cheshire?—Yes.

25,679. And his own views as to liberty of action?—Yes.

25,680. You are acquainted with many different parts of England, I believe?—I am with Cheshire very well.

25,681. And with many different parts of England?—With many parts of England.

25,682. Do you know the east of England at all—Lincolnshire?—Yes, but I do not know it very well.

25,683. Do you think that there, there is any feeling in that county in favour of this interference?—I do not know Lincolnshire sufficiently well to speak to that.

25,684. (*Mr. Gilmour.*) I notice that you advocate a good deal of Government assistance in carrying out a great many of these, what you suppose to be remedies?—Yes.

25,685. In those countries which you have visited, where you have pointed out that a great deal of Government help has been given, are the people employed in agriculture in a very much better way than the agriculturists in this country?—I think they are decidedly better, but I would not say very much better.

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Condition of agriculturists in this country and abroad.

25,686. Looking to the fact that the agriculturists in this country, as a rule, stand upon their own basis in carrying out matters with comparatively little direct Government help, is the state of those agriculturists in foreign countries sufficient to warrant the introduction or the interference, I may say, of Government in this country to the extent that you speak of?—I think it is, because I believe that the introduction of State aid abroad has been mainly owing to the lapsing condition of farming, and that as State aid is in consequence calculated to vastly improve the condition of farming abroad we should be left behind unless we follow their example—we must keep pace with the times.

Horse breeding.

25,687. In regard to the one question of horse breeding that you spoke of, did you refer to a greater increase in the number of thorough-bred stallions?—Yes; but I omitted to refer to what I think is essential, namely, the Government supply of shires or of cart-horses.

25,688. In most parts of the country is that not very fully met now by the private studs of private owners?—It is not; the fees are too high.

25,689. What is the sort of average fee for a fair agricultural shire stallion in your part of the country?—There is one horse that travels at three guineas, but I prefer not to characterise the quality of the horses.

25,690. But there is in your country a genuine want of good agricultural stallions at the present moment?—Yes.

25,691. Seeing that there is that want, are there no owners of horses that show any intention to fill up these vacancies?—It is one of those parts of England where there are very few cart-horses bred of any quality—almost none in fact.

25,692. Has it been proved to be not a suitable country for horse breeding?—The land to the south of Hampshire is very deficient in lime, and the stock we grow is deficient in bone, consequently we have very few big horses.

25,693. That would point to the fact that it was not perhaps a country where the Government would be altogether justified in encouraging horse breeding to any great extent?—On the contrary, I think it is more desirable to introduce good blood into countries where the stock of the country has depreciated through climatic and soil conditions.

The witness withdrew.

Adjourned to Thursday next at 12 o'clock.

Forty-eighth Day.

Thursday, 28th June 1894.

PRESENT:

THE RIGHT HON. GEORGE JOHN SHAW-LEFEVRE, M.P., IN THE CHAIR.

The Right Hon. HENRY CHAPLIN, M.P.
Sir ROBERT NIGEL FITZHARDINGE KINGSCOTE, K.C.B.
ROBERT GIFFEN, Esq., C.B.
CHARLES ISAAC ELTON, Esq., Q.C.
Captain OWEN THOMAS.
FRANCIS ALLSTON CHANNING, Esq., M.P.
JOHN CLAY, Esq.
CORNELIUS NEALE DALTON, Esq., C.B.
ROBERT LACEY EVERETT, Esq., M.P.
JOHN GILMOUR, Esq.
GEORGE LAMBERT, Esq., M.P.
HERBERT LYON, Esq., *Secretary.*
R. T. CRAWFORD, Esq.
FREEMAN THOMAS, Esq.
Assistant Secretaries.

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Professor [JAMES] LONG recalled and further examined.

Dairy instruction.

25,694. (*Mr. Channing.*) First I want to ask you whether you wish to give some further suggestions as to dairy schools, and the expansion of the Institute of the Dairy Farmers' Association?—Yes I do.

25,695. Will you kindly give them to the Commission?—What I wish to suggest to the Commission is this, that in view of the very extraordinary efforts which are being made in foreign countries to perfect the dairy system, which I may mention in passing really forms the second branch of agriculture, we ought to take some steps in this country to improve our own position. So far we have only a very few schools which have very small grants, and which are thereby enabled to do very little work indeed. We have an Institute in connection with the Dairy Farmers' Association which was formed upon my own initiative, and which carries on work near Aylesbury. We receive from the Government 250*l.* a year, and we expend from our own funds nearly 200*l.* Last year the expenditure was nearly 1,800*l.* During the course of the year we had 108 pupils compared with 87 pupils in the previous year. These were under tuition for an average period of 4 weeks, equal to 432 pupils for one week. In addition to those, 75 students underwent a course of six or ten days' instruction at the travelling dairy school in the county. At four examinations for the certificates and diplomas granted by the Association now under the auspices of South Kensington 58 candidates presented themselves, and of these 35 were successful. From March 1st to May 31st in the present year 31 applications have been received from intending pupils for whom it was impossible to provide accommodation.

25,696. Then you wish greater help from the State I suppose?—We wish a larger grant from the State: first, to enable us to educate more pupils, and next to enable us to carry on work of a still more important character; namely, the higher education of teachers, longer courses for the pupils who do attend, and classes for agricultural chemistry, botany, and bacteriology as applied to the dairy (these three branches of the work really being at the base of the modern system of dairying as conducted abroad, and as shown to us to be perfectly true); also for experimental and research work, and further to assist the 95 per cent. of the farmers who though they make butter and cheese, do not produce the best article. I should like further to say that our school, although it has been the school which has prepared by far the larger number of the existing teachers, received a smaller grant than some other schools, and one school in particular, which is worked by a limited liability company, and which is conducted by a female teacher who was trained at our institute.

Cheese making.

25,697. Have you any suggestion as to expanding the system in other parts of the country, besides the supply of teachers?—My suggestion is only with a view of increasing our own staff and making it a central or a national dairy school, with, as I say, the object of preparing pupils in a more complete manner, of doing experimental and research work, and of endeavouring to establish the manufacture of those kinds of foreign produce, especially Gorgonzola, Parmesan, Gruyère, Camembert, Brie, and other kinds of cheese which are largely consumed in England, but produced abroad.

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25,698. Do you think those could be successfully and profitably produced here?—I know it, because I have myself introduced some of them with perfect success. I may further add that in some of the counties of Normandy, particularly in Calvados and Manche, there are farmers whom I have frequently been to see, who have been able since the year 1870 to buy the fee simple of their farms out of the profits they have gained from the sale of dairy produce in the English market—particularly of butter and of Camembert cheese. They are not large farmers, but they are very prosperous, very thrifty, and very industrious.

Butter making.

25,699. Would you like to express any opinion as to whether the butter trade could be reorganised so as to give English farmers a fair chance of competing with the foreign butter trade?—I said when I was here before that there should be a central market in London, and that there should be central markets in the larger provincial towns also, similar to the Halles in Paris, where the producer can send his goods for sale by auction, and where I have myself seen butter realise 2*s.* 1*d.* a pound. We are entirely in the hands of the foreign producer, because we have no organised system enabling the English producer to properly market his butter or small produce. It is possible to send good English cheese of any kind to the merchant, and to get a good price; but the same fact does not apply to the butter or to the fancy cheeses, which are much more profitable.

Rents.

25,700. Now I want to ask you a few questions on the subject of land tenure. We have had a great deal of evidence to the effect that the present depressed condition of agriculture is due almost entirely to the fall of prices; would you think that the excessive rents paid out of the capital of the farmers, and therefore reducing the capital of the farmers, had also contributed to the depression of agriculture?—I most distinctly think so.

25,701. Do you think that the present state of the law is such as to have discouraged, during the whole of this period of depression, the efforts of the best farmers to retrieve their position and to get a better position?—Yes, I think that if the law had been sufficiently liberal and expansive to induce farmers to put their capital into the soil, they would not have suffered so considerably during the last years of depression. I know from my own experience that the better a man understands the land he is occupying the more sure is the profit, whether it be in a bad or in a good year, although in a bad year the returns are of course much less relatively than in a good year.

25,702. As a matter of fact there was great competition in regard to rent in the 70's, and rents were raised to what you might call a speculative value, were they not?—Before the 70's.

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25,703. Before the 70's and up——?—Up to certainly the year 1878 or 1879.

25,704. Is it generally the case that reductions of rent in most parts of England began to be made at too late a period to really help farmers?—Where reductions have been made they have certainly been too late; but in my experience there are many parts of the country where there have been very few reductions at all. Many remissions of more or less extent, but very few reductions. In some parts of the country the rents are maintained to-day.

25,705. (*Chairman.*) Do you mean in Hampshire or Hertfordshire?—I mean in different parts of England.

25,706. (*Mr. Channing.*) What parts specially?—Principally in the midland counties, in those counties where farmers are situated in the best districts, near to great lines of railway.

25,707. (*Chairman.*) And near great towns?—Near great towns.

25,708. Dairy farms?—Farms in general. I could give you an instance or two. During the past winter I myself not only advertised but wrote to land agents and others in all parts of the country to obtain a farm in one of the best counties—good land—and the very few farms that were to let were very highly rented, they were extremely few. But wherever I went I found that rents were maintained at a much higher position than ever I anticipated they were before making the inquiry.

25,709. (*Mr. Chaplin.*) Do I understand that that is limited to farms exceptionally well situated?—I think that refers, in my practice and my experience, to the best counties in England.

25,710. I thought you said in the case of farms that were well situated, close to railways?—Well situated as regards the best lines of railways and the towns in particular.

25,711. Is it limited to that class of farms that you are speaking about?—I do not think it is.

25,712. Then what was the object of that statement?—Because I made my own application, as it were, in those districts which I wished to settle in. I preferred to obtain a farm near a great town or near a great line of railway.

25,713. Yes, so does everybody naturally, but I rather gathered from what you said that it was in those cases you had observed chiefly that the reductions were wanting?—Yes, I did observe it chiefly there.

25,714. I only want to know what is the fact in your opinion; is this want of reduction general or is it chiefly the case only in these exceptional instances?—Perhaps you will allow me to still further extend my statement. I have on two or three occasions been acting as a commissioner for two great daily papers, and in the counties in which I made my examinations I found the rents were much higher than I believed they were; I could not have believed that they were so high, it was in three counties.

25,715. (*Chairman.*) You said, I think, that you were making inquiries for a farm in one of those rather favoured districts?—In the midland counties.

25,716. Near to a large town?—Near to a large town, or near to a great line of rail leading to London.

25,717. I think you said you found very few farms vacant?—Very few farms vacant.

25,718. And that the rents were at the old rates?—At the old rates, and the farms that were not vacant—because I have been down to several districts—are maintained at a very considerable rent, I could not have believed it.

25,719. (*Mr. Channing.*) It is true, at all events, that in this district which you have examined the farmers who tried to keep up their farms have not got as substantial reductions of rent as the farmers who let down their farms?—I think that is perfectly true.

25,720. I would ask whether your opinion applies to the parts of England with which you are specially acquainted?—That is so.

The Agricultural Holdings Act.

25,721. An objection was taken to the Agricultural Holdings Act of 1883 that it did not protect the best farmers—those who wanted to remain on their farms—but gave compensation to the less desirable farmers, namely, those who were going away?—That has been so ever since the Act was passed.

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25,722. Do you think that omission in the Act is one of the legal difficulties which have operated to the detriment of agriculture since then?—It is the greatest blot in the Act, and the greatest misfortune for agriculture.

25,723. In the case of those farms where the improving farmer has kept up the value of his farm, is it not the case that by the refusal of an adequate reduction he has really been rented on his own improvements? Yes, that is so.

25,724. That has been going on for years, has it not?—Certainly it has.

25,725. Then it would be correct to say that the Act, with the exception of the agreements which it has led to, has rather deterred good farming than encouraged it?—I think it has.

25,726. As I understand your evidence, it is your opinion that we ought now to place the relations of landlord and tenant on a fixed and business footing by statute, and not leave it any longer to a mere question of reliance on the good will or good faith of the two men?—I think the thing should be put upon a distinct business footing, and neither left to so-called freedom of contract, nor to anything else.

Freedom of contract.

25,727. Is there any freedom of contract in farms?—There is no freedom of contract at all: it is impossible.

25,728. (*Mr. Elton.*) Are you speaking of the western part of England or of England generally?—I am speaking of England generally.

25,729. You say there is no freedom of contract?—Not in my judgment.

25,730. (*Mr. Everett.*) Not to-day,—not at the present time, when farms are going begging all over the country?—With regard to the eastern counties, or rather Essex and Suffolk, where there is a great deal of very bad land, I can only say that there might be freedom of contract; but the farms are not worth having at a gift where they have been abandoned in consequence of the failure of the landlords in the past to meet their tenants and retain them.

Reduction and remission of rents.

25,731. (*Mr. Channing.*) Do you know any cases in which, when the farmer has died, his son or widow has taken on the farm, and has been compelled to take it on at the old rent, instead of having a reduction, as other new tenants would have?—I do not know of a case of a widow.

25,732. Is it generally the case, then, that with regard to an old tenant, whether he remains or whether his family take it after him, he has or they have to go on at the old rent as far as it is possible, instead of having the ample reductions which have been given to new tenants?—I know plenty of cases in which old tenants have been allowed to go and new tenants have come in at reduced rents.

25,733. Do you approve of the system of temporary remissions, or do you think that is not beneficial to agriculture?—I think it is a very improper principle. It may be very agreeable in a certain year, but it induces a man to stay upon a farm where he has been losing money only to lose more.

25,734. (*Mr. Chaplin.*) Do I understand this to be your opinion: that if a tenant has suffered very severely from some accidents of the season, or the climate, it is a wrong and a bad principle on the part of the landlord to make him a remission for that year in consequence?—That is putting the question in another form.

25,735. Certainly it is; it is the distinct form. You laid it down as a distinct principle that remissions of rent were injurious and wrong in principle. (*Mr. Channing.*) As compared with permanent reductions?—May I put it in this way: in the case of a tenant who has been succeeding on his farm—and I am happy to say there are plenty of them even now—a bad year followed by a remission on the landlord's part is a generous act on the landlord's part.

25,736. (*Mr. Chaplin.*) Then it is not wrong?—Not in a case of that kind; but I am speaking of the principle as applied to those tenants who are year by year losing upon their farms because of high rents.

25,737. (*Mr. Channing.*) I understand you to mean that a permanent reduction which would allow the tenant to reap the benefit of his own improvements, and something like a fixed fair rent in the future would

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place him in a very different position than if he had to go and depend upon a temporary remission?—Entirely, He does not know where he is at all.

25,738. In the latter case he is face to face with the old high rent whenever it happens to suit the landlord to impose it upon him?—Exactly so.

25,739. Those considerations have led you to take the view of supporting fixity of tenure, and fair rents, and free sale, I understand?—Certainly.

he Agri-ultural oldings -t, aluations.

25,740. You think the Agricultural Holdings Act is inadequate and unsuccessful in its operation?—Perfectly inadequate: perfectly unsuccessful.

24,741. Was the obvious intention of the Act to put an end to the old system of rule-of-thumb valuation based on outlay, and to secure to the tenant full compensation for the increased value his operations have given to the farm?—I believe it was.

24,742. That was the intention?—I believe it was.

24,743. But the Act was so drawn that the valuers have been able to set that aside and to introduce the old rule of thumb?—Yes.

25,744. How have the valuers treated that principle of the Act?—As a matter of fact it is not altogether the valuers who have caused the difficulty. The cases arise in this way. The tenant farmer knows perfectly well by what has happened before that if he makes a claim for unexhausted improvements he will be met by a counterclaim of still larger dimensions. In my own county a valuer who has perhaps one of the two or three largest practices in the county, told me himself, that he never knew but one instance in the county of Hampshire in which the claim having been made under the Act it was not met by a counterclaim considerably greater. He is a man who supports the Act generally in every other way.

25,745. That would be as to the purpose of the Act; but my question was rather as to the way in which valuers carried out their valuations. As a matter of fact do they award to the tenant the added value that his improvements have given to the land, or do they estimate the compensation by an estimate of the duration of the improvement based upon the outlay?—I have not a wide experience of what the valuers do, but in the cases that I do know anything about, the valuation, or the basis of valuation, is entirely unknown to the tenants and quite inadequate.

25,746. As a matter of fact, do you attach importance to the three F's because this principle of valuation in your opinion has failed, or why?—Because I think if you want to get the most from the land, and to fix a satisfied and prosperous tenantry upon it, you must give them a very distinct interest in the soil and induce them in every possible way to put their labour and their money into the soil.

Fixity of tenure.

25,747. By proposing fixity of tenure would you really be doing more than ask bad landlords to do what the best landlords do?—No, I think fixity of tenure exists to-day in form in the case of many good landlords, and I would not wish for more than they give; but it is the majority who are bad, who do not do their duty to their tenants, whom I should like a law passed to control.

Freedom of sale.

25,748. Do you think freedom of sale would diminish the inducements or increase the inducements for the best tenants to remain on the land?—I think if you give a man fixity of tenure, and allow him under certain conditions to improve the farm by adding his capital to it you are bound to give him freedom of sale under certain conditions. I should like to add that as regards fixity of tenure I would make certain reservations—that a tenant should not be allowed to remain in possession of a farm if he did not pay his rent, or if he committed wilful waste and destruction of the property, and further if he sub-letted the farm without the consent of the landlord he should not be allowed to remain; nor if he became bankrupt; and if the landlord required the farm for himself or for his son I would certainly give him possession on condition that he paid the outgoing tenant compensation for the disturbance he created. Further, if the estate required to be improved by throwing a farm into it, then I think the case should be referred to a board or to umpires, and if they determined that it was essential to the estate that it should be thrown with it the tenant should have notice to leave; the same in case small holdings or allotments were required.

Compensation for disturbance.

25,749. How would you define compensation for disturbance? Would it be merely the loss of the tenant in the process of removal, or what else would you give him compensation for?—Supposing a man is not following a business, but, as the Chairman put it last week, he is simply farming upon a sheep farm or a corn farm, he should be paid what the valuers considered to be the value or the sum of money that he would lose by the removal from one farm to another—not merely the expense attached to the removal itself, but something to compensate him for the loss which he certainly would sustain before he had arrived, upon a new farm, at the same position at which he left the old farm.

25,750. (*Chairman.*) Then it would be something analogous to the compensation for disturbance under the first Irish Land Act?—Something similar to that, except that I would extend it to larger farms.

25,751. (*Mr. Channing.*) As I understand your evidence, you put this suggestion of compensation for disturbance as an alternative, and you would prefer, yourself, to have fixity of tenure under statutory conditions, with these powers of resumption by the landlord on reasonable grounds?—In case fixity of tenure were not given I would give it as an alternative, but at the same time if you give fixity of tenure I think you must also compensate a man under the headings that I have already enumerated, because if he leaves the farm, whether it be under the one case or the other, he must lose something by so doing.

Land Courts.

25,752. Though these questions between landlord and tenant have to be determined by some form of arbitration, have you formulated your own idea of what would be the best form of land court or court of arbitration?—I should not object either to a land court formed of a county court judge and two men appointed by the county council, one representing each interest, or to a board of arbitration formed by the Board of Agriculture in the same way.

25,753. Do you think a district council would be a suitable body for appointing assessors?—The district councils being still unformed, I think I should prefer to see how they are constituted before giving a reply.

Judicial rents.

25,754. Now just one final question with regard to the rent: Do you think your experience of competition rents is so unsatisfactory that you would prefer to have a rent fixed by a court of arbitration as you suggested?—I should prefer certainly to have not the first rent—I should not go so far as that to-day because the thing is still so much *in embryo*—but with regard to existing tenants I would give a man who has been palpably failing in his farm through no fault of his own, the opportunity of going before a court of arbitration to have a judicial rent fixed.

25,755. (*Chairman.*) For what length of term?—I should not mind whether it was five or seven years, but I should not like to fix it for a long period.

25,756. And renewable again after that?—And allow either the landlord or the tenant to appeal to the board to renew the rent at the end of the period of five or seven years.

25,757. For another period, and so on?—And so on.

25,758. *Ad infinitum?—Ad infinitum.*

25,759. (*Mr. Everett.*) If the landlord had a mortgage on his farm would you allow him the same power with reference to that if you cut off by the court the source of his income by which he paid the interest on that mortgage?—For the good of the country I should be willing to do anything—for the good of the people.

Results of farming

25,760. (*Chairman.*) Your experience in your farm in Hampshire has not been favourable—it has not been profitable I think?—Not until the present year.

25,761. How long have you had that farm?—Six years.

25,762. Have your losses been mainly in the last two years?—Chiefly; the first year was a very bad year owing to the farm being in a very bad condition.

25,763. But after that until the last two years did you do fairly well?—I cannot say that I did fairly well. The first year and the second year were mainly occupied in cleaning the farm and bringing it into condition; the third year was a fairer year, and then we had two very bad years, and now there is a good year.

25,764. This year the prospects are good?—Very good.

25,765. Very good?—As farming goes.

25,766. Is it mainly dairy farming?—Sheep and dairy farming.

Particulars of agreement.

25,767.—In spite of all your bad experience there, you have taken another farm in Hertfordshire?—Yes, I have.

25,768. I think you said the rent there was about 25*s.* or 30*s.* an acre?—Between 25*s.* and 30*s.* an acre.

25,769. Have you taken it on lease?—I have agreed to take a lease.

25,770. You have an agreement for a lease?—I have really taken the fag end of a lease from an outgoing tenant.

25,771. For how long?—His lease expires on the 31st March.

25,772. You have agreed with your landlord, at the expiration of that, to have another term?—I have agreed with the agents.

25,773. For how long?—I think it is for 7, 14, or 21 years.

25,774. At your option?—Yes, at my option.

25,775. That is to say, you may give it up at the end of 7 or 14 years?—Certainly.

25,776. But would it bind the landlord for the 21 years?—No.

25,777. Could he give you a notice to go at the end of the seven years?—The option that I propose is mine.

25,778. I mean yours and not his?—Not his.

25,779. Therefore he is bound for 21 years?—If I choose, yes.

Judicial rents.

25,780.—Now in a case like that, do you think after a bargain of that kind it would be right that you should have the right of appealing to a court for the determination of the rent?—This is very delicate ground.

25,781. That is why I put the question?—I have for many years past spoken my mind pretty freely and with grave consequences to myself. I may say, however, that I should be quite happy to take the farm as it is without restrictions whatever, or conditions whatever.

25,782. The question I want to put is whether in the case of a man coming into a farm under an agreement which he may hold for 21 years with the option himself of leaving at 7 or 14 years, you think under those conditions, whether it is your own case or anybody else's, that it is fair that he should be able to appeal to a judicial tribunal to fix the rent?—Certainly. The suggestion would apply to farms of all descriptions and tenancies of all descriptions.

25,783. I put the specific case where a man has made a specific agreement binding his landlord for 21 years with the option to himself of going at 7 or 14 years; whether under those circumstances it would be right and fair that he should be able to appeal within a few months afterwards to a judicial tribunal to fix the rent?—I do not think the question should be put as applicable to one particular class of farmer.

25,784. I put it generally, to cases of that kind, because there may be many cases of the kind. (*Mr. Chaplin.*) It is a plain question?—But it is a specific question.

25,785. That is why it wants a specific answer; it is very simple?—I cannot commit myself to any specific answer of the kind. I will answer it as regards agriculture in general.

25,786. (*Chairman.*) The case cannot be a very uncommon one of a person going into a farm and making an agreement terminable either at 7, 14, or 21 years, to pay rent on terms which he has come to with his landlord after full negotiation; what I want to ask is whether, under those circumstances, be the tenant who he may, it would be fair that, immediately after that, he should be entitled to go into court for the determination of the rent?—I think it would be fair in the case of judicial rent where permissible to debar a man from claiming for five or seven years, as the case may be, after entering a farm, because he would then have made an agreement with his landlord to pay a certain rent, and I do not think he could expect to go to the board of arbitration to have a rent fixed within five or seven years afterwards.

25,787. (*Mr. Dalton.*) But would you say that the landlord at the end of the seven years might go into court if he thought that the rent was too low?—Certainly.

25,788. Although he has agreed to let it for 21 years, terminable only at the option of the tenant?—I think what is sauce for the goose would be sauce for the gander in that case.

25,789. (*Chairman.*) Do you not think, under those circumstances, the landlord should be entitled to go into court?—I think he should; I would give him the right to do so in any case if I gave the tenant the right.

25,790. The same as to the tenant?—The same with the landlord, yes.

25,791.—Then I understand you now to say that in such a case for the first seven years or five years, I think you said, the tenant ought not to have the right of going into court?—Not immediately after taking the farm.

25,792. Not after entering into a formal agreement of this kind?—No.

25,793. But then after that, after the seven years are over, you would give it to him?—Yes, I would. I confess the case has not arisen; it is a specific case which has not arisen in my mind or probably in anybody else's, but at the same time I think it would be perfectly just to debar him from going into a court to fix a rent until he had been on the farm a certain time; I think five years would be quite fair.

25,794. Would you apply that rule to other cases than where the rent has been fixed for seven years—would you apply it to the case of a man who goes into a farm under a yearly tenancy, or would you say that at the end of the year he should be entitled to go into court?—No, I would not give him permission to go under five years.

25,795. Then you would preserve freedom of contract for five years certain; it is very important to ascertain exactly how far you are prepared to go?—I should not like to answer the question on the spur of the moment.

25,796. (*Mr. Channing.*) If a system of land courts to fix fair rents is adopted, would not the first step taken on any agreement being come to between a landlord and a tenant be to register that agreement in the court and to obtain the assent of the court to it?—Yes, unquestionably so.

25,797. That is the landlord and tenant would not be such fools as to enter into an agreement with either party able to take that step at once?—I do not think they would.

25,798. (*Chairman.*) That is dealing with another point; the question I have been raising is this: where a tenant comes into a farm under an agreement with his landlord, if he is a yearly tenant, should he have a right to appeal to the court within the five years or not?—I do not see any objection to it at this moment.

25,799. Do you think, having come into possession of his farm under an agreement for a yearly tenancy, that the next year he should be entitled to appeal?—No, I did not say that; I do not see any objection to his being refused permission to appeal under five years.

25,800. Then you think that for five years at all events freedom of contract should be preserved?—The agreement should be preserved. I do not look upon it as freedom of contract, because I do not believe in it. I have no freedom of contract in my agreement.

25,801. I want to know what your idea is; it seems to me almost to follow from what you have said, that freedom of contract under your scheme would be preserved for five years?—The agreement arrived at between the two parties would be preserved for five years.

25,802. That would be binding for five years?—Yes.

25,803. That is to say, for five years after entering upon such a contract as that, the tenant would not have the right of going into court?—He would not.

25,804. At the end of that five years either the landlord or the tenant might do so?—I answer the question without previous preparation, but I think that five years would be fair; I do not see any reason why it should be withheld.

25,805. Now, I presume that a very large number of farms have been newly occupied by tenants quite lately in these times of depression, under yearly agreements;—Yes, a good many have.

25,806. You would maintain those agreements subject to either the landlord or tenant going on if they think

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fit, it being a yearly tenancy, for five years?—Yes, I think so.

25,807. And at the end of that time you would give either party the right of going into court?—I would.

Security of tenure.

25,808. (*Mr. Chaplin.*) I think you told the Commission that in your opinion, if tenants had greater security than they have, by law, farmers generally would have farmed better, and their losses would have been much less?—I think so.

25,809. Are you not aware that some of the witnesses before us have maintained that with the best of security, or as good security as they could desire, the more they have spent upon their farms the greater has been their loss?—I have read something of that kind.

25,810. Does that not shake your opinion at all?—Not in the least. I do not believe it.

25,811. Can you have any greater security than the ownership of the land?—Any greater security than the ownership of the land?

25,812. Can any tenant farmer have a greater security than the security of the farmer who farms his own land?—No, I suppose not.

25,813. Are you aware that some of the witnesses, farmers of great reputation, whom we have had before us, have told us that although they farm their own land their losses have been heavy in the extreme?—I can quite believe it.

25,814. Is that not inconsistent with saying that greater security would have ensured them against such heavy losses?—I do not think it is at all.

25,815. Why?—I know a good many men who farm their own land, and they are the spending class who like to enjoy life, and who do not stop at home, and act as working farmers usually do; they are not the class of men who are making farms pay in Essex.

25,816. The evidence was not limited to Essex. I am speaking now of the evidence which was given in connection with a good farm and very good land in the county of Suffolk, where the witness stated to the Commission that he farmed his own land, had every security in the world that the law could give him, and yet he had been a very heavy loser?—Yes, I can believe it, in a bad county, in the past two years.

25,817. But on a good farm in a bad county?—No, I do not believe it.

25,818. Then you would not be shaken by any of the evidence that has been given by witnesses of that description?—I should not indeed.

25,819. You would put your knowledge and experience against theirs, however high their reputation might be?—There must be some reason why the man owning his own land, if it is good land and well farmed, could not make it pay its rent.

25,820. Is there not a sufficient reason; if the price of the produce does not repay them for the cost of production, then they must lose?—That would appear *primâ facie* to be so; but even now I contend that, with fair rents and fair conditions, farming is a business in which men can pay their way.

25,821. And the fact that witnesses of repute owning their own land have told us that they have been unable to make it pay does not in the least affect your views that the losses are owing, as you say, in great measure to the want of security of tenure?—No, not at all. I can give you a far greater number of persons who pay high rents and make it pay. A gentleman behind me is an example.

25,822. These high rents that you speak of depend upon the quality of the land?—The quality of the land and the skill and industry of the farmer.

Landlords.

25,823. I think you stated, if I caught you correctly, that in your opinion the majority of the landlords were bad?—I should like to hear the line quoted—I did not mean bad in that sense; I believe I qualified the remark.

25,824. I do not want to ask it if you did not make the assertion?—I should like to have the reply read to me.

[*The shorthand writer read the witness's answer to Mr. Chaplin.*]

25,825. Do you adhere to that statement that it is the majority who are bad?—I should like the word "rather" interpolated.

25,826. (*Mr. Elton.*) "Rather bad"?—No, "who are bad, or rather who do not do their duty."

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25,827. (*Mr. Chaplin.*) Do you draw any great distinction between being bad and not doing their duty?—The word "bad" is a very expressive adjective, and those who do not do their duty I would not include in the same category at all. The meaning, the interpretation of the term is quite different.

25,828. Are you aware that we have had witness after witness before the Commission from various districts of the country who have told us that they have no complaint of their landlords; that their landlords have behaved generously and well, and that their mutual relations, generally speaking, are of the most friendly description?—Yes. I have heard the same remarks made at public meetings by men who say just the reverse behind the landlords' backs, repeatedly.

25,829. Then the evidence of such witnesses as I have described does not shake or alter your view that the majority of the landlords are either bad or rather neglect their duties?—The majority of the landlords do neglect their duties, yes.

Reductions and remissions of rent.

25,830. When you spoke of remissions only being made in the Midland counties I do not think you explained to us precisely what you included in the "Midland counties"; would you state what you mean by that?—I should take Buckinghamshire, Warwickshire, Northamptonshire, parts of Bedfordshire and Hertfordshire, parts of Nottinghamshire, Staffordshire, Cheshire, in fact I might extend the list still further.

25,831. In all these counties I understand you to say there have been no permanent reductions of rent made?—No, I do not say that.

25,832. What is it you mean then; I thought you said only remissions had been made?—I was referring to my own investigations in the Midland counties.

25,833. I mean according to your own investigations, no permanent reductions in those counties had been made?—I think the remark I made was that the rents were much higher than I had anticipated.

25,834. The remark I was referring to was this; that in the Midland counties remissions only of rent had been made?—I did not bind myself to that statement.

25,835. That was the statement. I will refer to it if you wish, but as long as you do not adhere to that, that is quite sufficient?—It is not sufficient for me; it would not be sufficient for me to contradict myself.

25,836. If it is a misunderstanding, I mean that is quite sufficient; I understand you to say that. What is your view then?—My view is this, that in the counties to which I refer the rents were much higher than I had anticipated; that remissions had been made and that so far as I learned rents had not been reduced.

25,837. That is practically the question that I put to you?—But it is not an absolute reply—"so far as I learned" in my investigations.

25,838. So far as you learned?—I cannot bind myself to what I do not know.

25,839. Then do I understand you have some doubts as to the result of your own information, that it may not be accurate?—Not in the least.

25,840. It is accurate?—I believe my information is quite accurate.

25,841. Then you do believe that there have been no reductions made in any of those counties that you have named?—Not at all.

25,842. I do not see how the two statements can be reconciled?—So far as my investigations are concerned, I believe it.

25,843. (*Chairman.*) Do you believe that your investigations fairly represent the actual state of things in those counties?—I do.

25,844. In other words you believe that in those counties there have not been permanent reductions made?—That must be answered generally, because I cannot bind myself to a statement as to fact.

25,845. No, I do not want you make a statement as to fact?—I believe from my investigations, so far as they have gone, as I have described them, that there have been no serious reductions of rent at all in either county.

25,846. What period do your statements with regard to the reductions of rent include?—During the last eight or ten years.

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25,847. Then this I gather to be the direct effect of your evidence; that as far as you know, from investigations you have made, you believe that there have been no permanent reductions made in these counties which you have named, within the last eight or ten years?—No serious reductions.

25,848. I do not, of course, know what interpretation you attach to the word "serious;" that is a limitation of some kind; what do you mean by "serious;" what do you wish to convey to the Commission by it?—I must guard myself in some way as to a matter of fact; of course, if one reduction had been made in one county my statement would be wrong if I said "no;" of course everyone knows there must have been some.

25,849. Were your investigations widely conducted?—As the investigations of an individual in his own interest.

25,850. When you were making these investigations, were they in any way as Commissioner for either of the two great daily papers that you referred to?—No.

Freedom of contract.

25,851. Now, you told us, I understood, that, in your opinion, there is no such thing as freedom of contract in taking a farm nowadays between the landlord and tenant, and then you made the exception afterwards in the eastern counties, where the land is bad—that is so, is it not?—There is no rule without an exception; I think that is fair.

25,852. What is the most important item in your opinion in making a contract for the taking of a farm?—I suppose the rent is the most important.

25,853. The rent is naturally the most important item; you are aware, I suppose, that in some counties of England, according to all the evidence we have had here, most enormous reductions of rent have been made; sometimes as much as 80 per cent.; do you say that acquiring those reductions the tenant farmer has had no freedom of contract?—He has been enabled to give notice to leave; he is free to do that.

25,854. Is it not always in his own power to give notice to leave if he likes?—Practically, but not morally.

25,855. In what respect not morally?—Otherwise many hundreds of farmers would be leaving to-day.

25,856. Why would they be leaving?—Because their capital is invested in their farms; they have very little of anything beyond what is invested in the farm, and they are unable to leave in consequence.

Compensation for improvements.

25,857. But supposing they leave, they get compensation for the improvements which they have made?—No.

25,858. They do not get it?—That is quite a farce altogether.

25,859. Where is it a farce?—Because they dare not claim.

25,860. Why?—Because the counter claim would be larger than the claim.

25,861. Are the counter claims granted unless they are fair?—I am afraid experience shows that they are.

25,862. Are you acquainted with counties where farms are held under agreements, and under customs instead of under the Agricultural Holdings Act?—Not to a great extent.

25,863. Are you acquainted with the custom of Lincoln?—I know the Lincolnshire custom is liberal.

25,864. Do you not know that the same customs, or customs analogous to it, prevail in one of the counties you have referred to, in Nottingham, and in many others besides?—That is quite possible.

25,865. Then in the case of such counties as I am now speaking of, do you still contend that upon leaving a farm a man gets no compensation whatever?—I am guided solely by published cases, in almost all of which, I think, and I have noted them as they appeared, the tenant is mulct in damages and expenses.

25,866. Now, with regard to these counties and customs and agreements which I have been calling your attention to. When you say that a man morally has no power to leave his farm because he would not get compensation if he did, you are not speaking from any wide and actual knowledge of the subject?—Not in Lincolnshire.

25,867. Or these other counties where the customs prevail?—I do not know any county that you refer to, except Nottinghamshire.

25,868. In fact, you are not acquainted with the fact that in various counties of England farms are held under agreements and under customs which do give full and adequate compensation whenever a tenant leaves, and compensation with which they profess themselves entirely satisfied?—I know plenty of counties the custom of which is liberal, but which is not carried out.

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25,869. That is the only answer you can give to my question on that point?—I think the answer is quite adequate.

Freedom of contract.

25,870. You told us that there was no freedom of contract in the case of your own agreement; I think you made that statement?—Yes, I did.

25,871. Was that when you took the farm?—When I took the farm.

25,872. How is that? Were you obliged to take it?—No, by no means.

25,873. There was nothing binding on you to take it?—Nothing.

25,874. You could either have taken it or left it, just as you please?—Yes.

25,875. Then you had freedom of contract so far as that?—So far as that is concerned.

25,876. Then in what respect had you not freedom of contract?—This is again very personal. I should be very pleased to tell the Commission if it is not printed.

25,877. But you have told us distinctly; you have made the statement yourself that you have no freedom of contract in taking your farm, a statement which I was quite unable to understand. I am quite willing that that statement should be struck out?—No, not at all; that exists very palpably.

25,878. What?—If I explain what I mean in my individual case, I should prefer that it were not printed.

25,879. Then a one-sided statement would be given to the public. I am quite willing that the whole thing should be struck out if that is your desire; but these statements should not be made unless you are prepared to substantiate them. I am quite willing that the statement that you had no freedom of contract whatever in taking your farm should be struck out, and then the question does not arise?—No; I adhere to my statement distinctly.

25,880. Then in what respect do you say that you had no freedom of contract?—I cannot answer the question if it is to be printed. I shall be very pleased to give a very distinct statement to the Commission.

25,881. (*Chairman.*) Was there something exceptional in your case, then, which prevented your having freedom of contract?—It is what may occur in every lease or agreement.

25,882. That is what I was going to ask, whether, with regard to the case of a tenant farmer taking a farm in the first instance, you say there is no freedom of contract on his part?—I should like to put an answer in this form—

25,883. I am not dealing with your own case, I am dealing with the ordinary case of a tenant farmer entering into an agreement for the first time for taking a farm; should you say there is no freedom of contract on his part?—If an ordinary tenant farmer has an agreement in which the landlord is bound to do certain things in response or in return for the rent paid and the covenants observed, I maintain that there is no freedom of contract, if the tenant is compelled to pay his rent and to observe his covenants if the law does not enforce the landlord to observe his covenants.

25,884. That is not quite an answer; what I was asking was this—when a tenant enters upon a farm for the first time under a new agreement, is there any freedom of contract then?—I look upon it as a mere phrase; so long as agreements exist as they do at the present day under the present law, freedom of contract is a phrase of no importance, it is not real.

25,885. Not even when the tenant enters for the first time upon a farm?—I simply endorse the action of the Government so far as I individually can. The Government does not recognize it, and I do not recognize it either.

25,886. (*Mr. Channing.*) Do you think that any tenant in England could draw up the covenants of his

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own agreement in his own terms and get them accepted by any estate agent in England?—That is a thing entirely unknown to me.

25,887. (*Mr. Dalton.*) But what is the meaning of freedom of contract? The ordinary meaning of the term is that either party is to have his own way, is it not?—I prefer not to answer that question at all. I perfectly understand, as a tenant farmer, what it means in practice.

25,888. In other matters, leaving out farming for a moment, what is the meaning of the expression "freedom of contract"?—It means that if two parties meet together to transact business, they are free to do as they choose, either to leave it alone or transact the business.

25,889. But a farmer is not compelled to take his farm if he does not like it?—Certainly not; but there are more farmers than there is land to farm, and so long as that is the case competition must entirely prevent men having freedom of contract; it does do so.

The letting of farms.

25,890. (*Chairman.*) Can it be said at this present moment that in a great part of the country there are more people willing to take farms than there are farms to be let?—Unquestionably. I can give you the name of a well known Scotch farmer I met yesterday at the Royal Agricultural Show who said there were 60 farmers for one farm to let.

25,891. (*Mr. Chaplin.*) Where?—In Scotland.

25,892. Quite so, but does the same thing hold good in Essex?—No, because the Essex land is not worth having at a gift where it has been allowed to go foul.

25,883. Or in Suffolk?—Parts of Suffolk are very bad also.

25,884. Or in Norfolk?—Parts of Norfolk are very good.

25,895. (*Chairman.*) Is it not a fact that at this moment over a considerable part of the country there is a difficulty, not insuperable, but a difficulty, in getting tenants?—A very great difficulty indeed, I admit, in those parts where land is not worth having, but where the land is good enough to enable a man to live the difficulty is not insuperable. I may go further and say that men who occupy good farms, such farms as are almost historic, upon historic estates, would not leave under any consideration.

25,896. (*Sir Nigel Kingscote.*) What is an historic farm, I do not understand?—The Duke of Bedford's for instance; I think I might say Mr. Chaplin's as well, from what every one knows.

25,897. (*Mr. Chaplin.*) Then upon that question may I ask what you have to say upon the county of Lincoln, and how you would account for the fact if your statement is correct, that when one of these historic farms was to let last year it was absolutely impossible to find a tenant?—It must have been because of the impossibility of a man seeing his way to make it pay.

25,898. Yet it was one of what you yourself call historic farms on an historic estate?—They have individually bad farms, unquestionably.

25,899. This was one of the best farms on the estate, and was left in perfect order. Does that shake your views to any extent as to the fact that there was no freedom of contract in taking a farm between the landlord and the tenant?—No, I should say that on these estates in particular you either have to take the agreement as it stood, or leave it. That might have had something to do with the want of a tenant.

25,900. (*Mr. Lambert.*) What legislative enactment could you suggest so as to enable a landlord and tenant to meet upon equal terms?—I suggested fixity of tenure, entire freedom of cultivation, sale of produce that would naturally follow, and free sale of the improvements.

Freedom of sale.

25,901. May I ask you to define "free sale"?—When a man is leaving his farm he should be enabled to sell to the highest bidder, always supposing that the landlord is willing to accept him, and that he should be compelled to accept a responsible man of known capacity to farm; he should be enabled to sell to him the property that he holds in the farm.

25,902. Would the man who is the highest bidder take the farm?—Yes.

25,903. Would that not rather increase the competition for the farms?—I do not think so, because it would require an outlay of capital, and directly that is demanded, I believe the number of applicants for farms would diminish.

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Land Courts.

25,904. How would you prevent a man from bidding high for a farm and getting into it, and then impoverishing it, and leaving it?—I would provide that if a man committed waste or dilapidation, or farmed in a glaringly bad manner, the case should be referred to the Board of Arbitration, and he should be expelled at once.

25,905. Do you suggest that the Board of Arbitration should be universal in this country for the settlement of disputes between landlord and tenant?—I do not see any other course, but to have it universal. I think it is impossible to separate the good cases from the bad, you must take them as they come.

25,906. You say you would give compensation for disturbance. What is it you mean by disturbance?—I explained that in my evidence in chief.

Judicial rents.

25,907. Presuming that a tenant and a landlord could not agree upon rent, and they went to a land court, and the rent was by this land court reduced, would you compel the landlord to accept that rent?—If it were reduced by the Land Court.

25,908. Yes. Would you compel the landlord to accept the rent?—Certainly.

25,909. Presuming he did not choose to accept it, what would be the result?—If it were the law of the land he would be compelled.

25,910. Then presuming in the opposite case that the rent should be raised would you compel the tenant to accept it?—Or give notice to quit.

25,911. So you would not place the two upon the same footing, so that the landlord could give the tenant notice to quit if he was disinclined to accept the rent?—Certainly not. I would give the owner of property less rope than I would give the tenant who has his living to make by the sweat of his brow.

25,912. (*Chairman.*) Did I understand you to say that the Court should have power to increase the rent, and that the tenant should be bound to remain there and pay the increased rent?—No, quite the contrary, that the court should be enabled to increase the rent if it thought that the value of the land was higher than the tenant was paying, but that the tenant should have the option of leaving the farm by giving notice to quit.

25,913. (*Mr. Dalton.*) Even if he had a 21 years' lease?—I perfectly understand that in case a Land Act of this kind were passed, existing agreements would have to be put an end to at some early date.

25,914. (*Chairman.*) Take the case, I will not say your own, but the case of a man who has, shortly before the Land Act was passed, entered into a lease for 21 years; you have given your opinion that within five years after the making of that lease, either tenant or landlord should be entitled to go into court, and to get the rent fixed?—Yes, I would not go beyond that.

25,915. In the event of its being reduced that would be binding against the landlord, but in the event of its being increased the question is whether the tenant should then be entitled to go notwithstanding his 21 years' lease?—After his five years.

25,916. Then it means this: that you would break all these leases?—I think after you have passed a Land Act giving a man fixity of tenure, a lease would be entirely inoperative and out of place.

25,917. But we are speaking of a lease existing at the time that the Land Act is passed. Can you give your opinion upon that point?—I thought I had answered that question.

25,918. I thought you had not given an opinion whether in such a case as that the tenant would be entitled to break the lease on the ground that he objected to his rent being raised?—My suggestion was that in case the Land Act was passed leases would be entirely put an end to.

25,919. Existing leases?—Existing leases. They would not be consistent with an Act for fixity of tenure.

Compensation for disturbance.

25,920. (*Mr. Lambert.*) Then I want to know what you would call fixity of tenure; presuming that a man took a farm of whatever size you like, even an allotment of an acre or ten acres, or up to any size, when he had got into possession of that, would you make it impossible for that landlord to get him out

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without the consent of the Land Court?—I would, with the exceptions I have already named.

25,921. May we have those exceptions again?—The non-payment of rent, wilful waste, dilapidation or destruction of property, sub-letting without consent, bankruptcy, or assuming that the land was required by the landlord or his son to farm, or for the purpose of small holdings or the improvement of the estate.

25,922. Presuming that the landlord gave the tenant compensation for disturbing him, would you not then give the landlord the right to resume the occupation of the land?—By private arrangement between themselves.

25,923. I mean presuming that the landlord gave his tenant notice to quit, and he was prepared to give him, and it was the law that he should give him, compensation that would adequately remunerate him for the change that he would have to make in going to another farm, would you allow the landlord to do that?—I must answer that in this way, that I have not considered the point, and I should not like to give an answer upon it. That would involve making another exception, and I do not see how it would be consistent to do so at the moment without thinking it over.

25,924. Are you a tenant farmer yourself?—Yes.

The Agricultural Holdings Act.

25,925. (*Mr. Elton.*) I wish to ask you as to something you said about the Agricultural Holdings Act; I think you explained that the object of the Act was to compensate the tenant for his outlay, and not to compensate him for the value remaining, and so on?—No, I did not say that.

Compensation for improvements.

25,926. I think it was put to you by Mr. Channing?—I did not mean that.

25,927. They were very long questions, and I thought perhaps you might have missed some of the statements in them; but certainly it is down on the notes. We will put it right now. It was that the object of the Act was to secure the value of the tenant's outlay, and not the value remaining in the holding, and that that was not carried out. However, the question and answer will speak for themselves, but your opinion now is not to that effect?—Will you kindly put the question again?

25,928. Was the effect of your answer intended to be that the object of the Agricultural Holdings Act was to provide compensation representing the value of the improvement to the incoming tenant, or the amount of the outlay by the outgoing tenant?—The chief object of the Act is to provide for the payment to the tenant for improvements under the third schedule, or the third part, I forget which, for the unexhausted improvements.

25,929. The basis being the value to the incoming tenant, and not the expenditure of the outgoing tenant?—Of course the basis would be the value to the incoming tenant; it should be, but it is not exactly expressed so.

25,930. Then if your former answer appeared to be to the contrary of that, you do not mean that?—I have given no answer to the contrary.

25,931. You did not intend to do so, at any rate?—No.

25,932. Therefore you say that no particulars are given to the tenant by which he can judge of the basis on which the valuation is made?—I said in the cases which have come under my notice.

25,933. We will take it in that way, but as a matter of fact you said it universally?—No, I did not, indeed.

25,934. Now, will you tell me whether you intend to say that in valuations under the Agricultural Holdings Act they do not give separate headings and items under which compensation is assessed?—I can only give you the same answer, that in cases which have come under my notice, and my own is one, there have been no particulars given.

25,935. You know that the Act requires them?—The Act requires them.

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25,936. You say it is not carried out in that respect?—It is not carried out in that respect.

25,937. In your experience?—It may be the fault of the tenants themselves. It might have been my fault.

25,938. So long as you limit it to what has come under your own experience I am quite content?—Quite so; I do.

Cheese making.

25,939. Would you, just for my private information, answer one question. I have followed with great interest what you said about the dairying industry. You said you could make some of these foreign cheeses in England?—Yes.

25,940. For instance, you mentioned Gorgonzola, I believe?—Yes.

25,941. Gorgonzola is a skim milk cheese, is it not?—No; it is made from new milk.

25,942. Is it made of the same milk as the Ticino milk; is it Lombardy milk?—Lombardy milk.

25,943. Is that not richer by far than what we get in this country?—No.

25,944. Is it not the richest in the world?—Not at all.

25,945. Do you think that the milk we get hold of in this country would make that same quality of cheese?—It would make any cheese that is known in this country.

Butter making.

25,946. You say there is no butter trade system here. Do you know of any place where there is, and where it is well carried out? Is there such a system in Normandy?—There is a system in Normandy, and a system in Denmark, and a system in Sweden.

25,947. Have you ever paid any attention to the Cork butter system?—The Cork trade I know very well.

25,948. Do you think that is a satisfactory system?—A fairly satisfactory system, but that is not English.

25,949. You would not recommend the Cork system being applied here?—I should not object to that. I prefer the Cork system to none, very much.

25,950. Do you know the Cork system?—Very well indeed.

25,951. How do they fix the price?—Valuers.

25,952. What valuers?—They are appointed in the market. I have seen the operation. The casks of butter are opened with a machine. The staves are all taken off. The expert puts the trier in, and grades it and fixes the price.

25,953. Is it not rather this, that they have a fictitious auction in the public room?—Practically.

25,954. At which prices are named which will clear the market?—Practically so.

25,955. The prices are not fixed by the valuers, but by the price which will clear the market on the bids given?—I should say, perhaps, to correct myself that the grade is fixed by the expert, and the price by the buyers.

25,956. By the what?—By the operators.

25,857. I beg your pardon, it is fixed by the trustees after going through the form of an auction?—That is really so in practice, but, of course, it is practically formed by the buyers themselves.

25,958. Speaking practically, is it not said that the trustees know the price before the whole operation?—It is said so.

25,959. I do not want to go into detail. I only say would you introduce the Cork butter trade system into this country?—I would not fix the price of butter as they do, but I would have a market like they have, and I would grade the butter as they do.

The witness withdrew.

Mr. Thomas Parton called and examined.

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25,960. (*Chairman.*) You are a tenant farmer at Weston Hall, near Crewe?—Yes.

Particulars of farm.

25,961. What sized farm have you in your occupation?—656 acres altogether. There are three farms.

25,962. How long have you been in possession?—On part of it 25 years.

25,963. Do you hold under a lease?—No, a yearly tenancy.

25,964. What is the rent you pay per acre?—About 30*s.*

25,965. Has that been reduced of late years?—No.

25,966. Has it been maintained?—Yes.

25,967. Has the rent generally been maintained in your district?—Yes.

The letting of farms.

25,968. Are there any farms out of occupation and unlet?—No.

25,969. When farms are untenanted can tenants be got for them?—Very easily.

25,970. Are there men with sufficient capital ready to take them?—Yes.

Effect of the depression.

25,971. What has been the effect of agricultural depression in your district?—The effect has been this, that people have lost money, therefore there is a diminution of capital.

25,972. That has not had the effect yet of reducing the rent?—No, it has not materially.

25,973. Have there been abatements of rent?—Temporarily, and remissions.

25,974. But no permanent reductions?—No.

25,975. Has your district suffered from the drought in the last year or no?—Certainly it has suffered.

25,976. Not very much?—Not to a very great extent, but it did suffer. Of course, the atmospheric influences would cause it to suffer.

25,977. Is your's a dairy farm?—Yes.

25,978. What town do you supply?—Crewe.

25,979. Has there been an increased cost of cultivation of late years?—Yes, in some respects there has.

Wages.

25,980. Have the agricultural labourers' wages been increased or no?—For the skilled labourers they have been increased.

25,981. But not the unskilled?—The ordinary labourers' wages have not increased.

25,982. Have the wages of ordinary labourers been maintained?—The skilled labourers' wages have.

25,983. I mean the ordinary, the common labourers; have their wages been kept up?—No, they have fallen.

25,984. How much have they fallen?—Very little; about 1 per cent.

25,985. Not more than 1 per cent?—No.

25,986. And the skilled labourers have had their wages increased?—Yes.

25,987. How much?—They have gone up 25 per cent.

25,988. As much as that?—Yes.

25,989. What do you call the skilled labourers?—The men of trust; the men that have an intelligent view of their work, and can go about it in an intelligent manner.

25,990. What proportion do they bear to the others?—I think there would be about 15 per cent. of them.

Rates.

25,991. Has there been an increase in the rates and taxes in your district?—Considerably.

25,992. Is your's a purely rural Union, or are there towns in it?—It is rural and urban.

25,993. What has been the increase of rates?—I should think 60 per cent.

25,994. Has that been due to the urban districts?—Yes.

25,995. What is the name of your Union?—Nantwich.

25,996. What has the increase been due to?—There are large public works at Crewe, and these men are often discharged at the age of 65. I daresay you gentlemen would have known that there was a great bother about the pension fund there: since that time many of these men did not accept it and they, I believe, were thrown on their own resources and discharged, and therefore they become chargeable to the Union, and for that reason the Union has to be enlarged, and therefore the officialism and everything connected with it has been increased accordingly.

25,997. Is the main increase due to the poor rate for indoor and outdoor maintenance?—That is one great thing, and the maintenance of the main roads is another very great increase—the county roads.

25,998. (*Mr. Lambert.*) If the main roads are maintained by the county they are not by the parishes, I presume?—They are parish and county too; there are district as well as county roads.

Tenants' capital.

25,999. (*Chairman.*) Do you think that farmers have less capital than they had?—Yes.

26,000. Is the condition of the farms somewhat deteriorated in your district?—Yes.

26,001. What is that due to?—It is due to want of capital.

Low prices.

26,002. Then what are the subjects of complaint mainly by the tenant farmers in your district?—The subject of great complaint is these low prices.

26,003. That is the main thing?—Yes.

26,004. Has the price of dairy produce fallen?—Yes.

26,005. How much has that fallen?—About 25 per cent.

26,006. As compared with when?—With the year 1880.

26,007. When did the prices begin to fall?—They began to fall between 1880 and 1885.

26,008. Have they been maintained since then?—They are lower now than were ever known.

26,009. What is that due to?—It is due to the foreign competition.

26,010. Does the foreign competition affect you in the dairy produce?—Yes.

26,011. In butter?—Chiefly, and in cheese.

26,012. Do you supply milk to Crewe?—Yes.

26,013. Has the price of milk been lowered?—To some extent.

26,014. How much?—About 10 per cent.

The Agricultural Holdings Act.

26,015. Have you to complain of the Agricultural Holdings Act?—To a certain extent.

26,016. What is your objection to it?—There are too many legal technicalities about it; it is so difficult to understand and so difficult to carry out.

26,017. What alterations do you suggest in it?—The Act requires simplifying in order that we may understand it more plainly and carry out its conditions more simply.

26,018. In what respect mainly?—There are so many technicalities in respect to the time of giving notice. The time is defined within certain limits and a fixed period, and unless farmers are pretty well cognizant of all these little intricate technicalities they are subject to forfeit their claim.

Scheduling the condition of farms.

26,019. What suggestions have you to make with regard to it?—I think, in the first place, that some record should be kept and scheduled of the holding when you enter upon it.

26,020. For comparison with the condition when the tenant leaves the farm?—Yes, and when the incoming tenant enters upon it, and this schedule form should not be in the possession of either the landlord or the tenant—it should be kept in some secure place under Government control.

26,021. That might do very well for future tenancies, in the case of future lettings; but in the case of existing tenancies what would you do where there is no such record?—You will have to be guided to a very great extent by the Act.

26,022. In the improvement of the Act what have you got to suggest with regard to the existing tenancies?—Supposing I was quitting a tenancy, and everything was in due form, I should expect that I should receive compensation for all unexhausted

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improvements; but supposing that some of these conditions have not been complied with, I should be liable to forfeit them.

26,023. I only want to gather what your view is as to the amendment of the Act as regards existing tenancies. You said as regards future tenancies there should be a record of the condition of the farm at the commencement of the letting?—Yes.

26,024. So that it may be compared with the condition of the farm at leaving?—Yes.

26,025. But that provision would not be applicable to existing tenancies, because there has been no record made when the farm was entered upon?—No; but supposing I was going to create any permanent improvement, of the first class improvements I think that it might now be scheduled in the same way that I am proposing with regard to the incoming tenant. The value should be arrived at by the landlord and tenant combined.

26,026. (*Mr. Chaplin.*) Before they are made, do you mean, or after they are made?—Before they are made. In the first instance I have got to apply to the landlord for consent to do it; after I have got the consent and the thing is done then I want it tabulated what the amount has been, and that this should not be left to me or to any other party, but it should be on this schedule, and that this schedule should not be the property of either landlord or tenant.

26,027. That it should be a permanent record for a future examination as to what the cost has been?—That is it, so that evidence could not be produced in the expensive way it is now.

Improvements.

26,028. (*Chairman.*) Do you consider that these improvements should be permitted without the consent of the landlord?—Not in all cases.

26,029. What exceptions would you make?—All the first class improvements should still be with the consent of the landlord.

Judicial rents.

26,030. Are you in favour of judicial rents, of referring the question of rent to an independent tribunal?—No.

26,031. Do you know what the opinion of tenants in your district is on that subject?—The opinion generally is that it should be a free contract between the two parties.

26,032. And that there should be no intermediary to determine it?—No.

26,033. Has the matter been discussed by them?—Yes.

26,034. You do not agree with Mr. Smith, who has given evidence from that part of the country, from Lancashire, rather in favour of judicial rents?—I am not acquainted with Mr. Smith. I have not heard his views.

26,035. (*Mr. Lambert.*) Do you know Mr. Smith, the Member of Parliament for the Garstang division of Lancashire?—If it is Mr. Smith the member for Garstang I have heard of him.

26,036. (*Chairman.*) Do you know what his views are on the subject of land tenure?—Not particularly.

26,037. Where did the discussion take place?—At the Chamber of Agriculture.

26,038. How many tenants are there belonging to the association?—How many members?

26,039. Yes?—About 120, I think.

26,040. They have discussed this matter of the judicial rents?—Yes.

26,041. And they came to the conclusion adverse to it?—Yes, it should be freedom of contract between existing parties.

26,042. Was there a division upon it?—I do not recollect.

26,043. Was there a minority in favour of it?—I am not prepared to give an exact answer to that.

26,044. What other recommendations have you got to make?—I think there wants a readjustment of local taxation.

26,045. On the subject of the law of distress, what have you to observe upon that?—I have very little to advance against it.

26,046. You do not think any change is necessary?—No.

26,047. Then with regard to railway rates?—I think there is a very great change necessary there; I think the preferential rates in favour of the foreigner are very injurious to local men.

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Railway rates.

26,048. Are there many small farms in your district?—Yes.

Small farms.

26,049. What is the smallest farm a man can make a living out of?—60 acres.

26,050. I presume he works himself?—Yes.

26,051. And his family too?—Yes.

26,052. Are the small farms rented higher than the large ones?—Not very much difference.

26,053. (*Mr. Lambert.*) What would be the rent of a 60 acre farm that a man could make his living out of?—The rent is generally about 30*s.* an acre in our district.

26,054. (*Chairman.*) Have the small farmers done better than the large ones of late years?—No, I think there is very little difference.

26,055. Not much difference?—No.

Labourers.

26,056. I suppose the labourers have done very well, inasmuch as the skilled labourers have their wages raised and the others very slightly reduced—they can get a great deal more for their money than they could?—The skilled labourers in our district are in a better condition than ever was known.

26,057. They would get a great deal more for their money?—Yes.

Wages.

26,058. (*Mr. Giffen.*) What wages do you pay the ordinary labourer now?—The best men are getting from 18*s.* to 20*s.* a week.

26,059. These are skilled people?—Yes.

26,060. But what do the ordinary people get?—We can get them from 12*s.* to 14*s.*

26,061. How much did you pay the ordinary labourer 10 years ago?—You paid the ordinary labourer about 12*s.*

26,062. Ten years ago?—Yes.

26,063. Then you still pay him about the same thing?—12*s.* to 14*s.*

26,064. And you paid about the same 10 years ago to the ordinary labourer?—You pay a little more now than you did 10 years ago.

26,065. I thought you said in your evidence-in-chief that the wages of the ordinary labourer had been a little reduced?—No, I think not. I think my answer was that they were increased about 10 per cent.

26,066. I wish to put it into actual statements of the amounts paid, and then we shall be able to make the per-centages ourselves. You say you pay 12*s.* to 14*s.* to the ordinary labourer?—Yes.

26,067. And you paid about the same 10 years ago, or not quite so much?—Not quite so much.

26,068. Not quite so much 10 years ago?—No.

26,069. Then the ordinary labourer gets a little more than he did 10 years ago?—Yes.

26,070. And the skilled labourer gets now from 18*s.* to 1*l.* a week. What did he get about 10 years ago?—About 15*s.*

26,071. So his wages have increased very much?—Yes.

Expenditure on buildings.

26,072. (*Mr. Clay.*) Regarding the schedule when asking for buildings, if the landlord was not inclined to give you these buildings, what would you do?—In some cases you have to pay interest on the outlay; that means increased rent. In other cases the landlords put these buildings on the premises as an assistance to the existing tenant.

26,073. If the tenant was to make these buildings, and they would not pay interest, they would not pay the tenant even?—He would not pay interest, certainly not.

26,074. If the tenant made these permanent buildings, if they were not worth the interest of the money to the farmer, what is the use of putting them there?—He would put them there for his own accommodation.

26,075. Would they be worth the interest of the money laid out on them? Would interest accrue from that extra accommodation to him?—Yes.

26,076. Are you sure of it?—Yes.

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26,077. Why would it not accrue to the landlord then?—The landlord would not get the direct benefit if he did not charge the interest to the existing tenant.

26,078. But if the landlord was building them, why should the tenant not pay the landlord interest upon them?—In many cases they do.

26,079. I thought you said not?—I think I said so, but in some cases they did not, because these buildings were erected as an assistance to the existing tenant.

26,080. Does the rent of a farm not depend partly upon the good buildings that the landlord has there on the farm when the tenant offers for the farm?—Yes, they have a very great influence upon it.

26,081. They create, do they not, a basis of rent?—Yes.

26,082. And that is the landlord's interest for the capital he has expended on the buildings?—Yes.

26,083. So thereby the tenant virtually pays interest upon the buildings. Do you grant that?—Yes, in most instances he does.

26,084. And if the tenant was wanting the landlord to build more buildings, would he be inclined then to pay interest upon them?—In some cases he would; in others he would not.

26,085. Therefore where no interest could be paid the buildings are not required if they cannot pay interest?—They are often required, but there is often not the forthcoming capital to erect.

26,086. You were asked about the said Mr. Smith; did you ever read the discussions that took place in the Chamber?—What Chamber are you referring to?

26,087. The Chamber that Mr. Smith discussed these matters at?—At Preston?

The three F's.

26,088. I was astonished to hear that a public man like Mr. Smith was discussing these matters, and a Cheshire farmer here never heard of them?—Not in my memory. I have heard of Mr. Smith discussing what he terms "the three F's" at Preston, but of course they did not particularly interest me, and I did not take particular cognizance of them.

26,089. And you did not read the discussions?—Not seriatim, I did not—not intelligently I did not read them.

26,090. (*Mr. Chaplin.*) How many years have you been upon your farm?—I am holding at the present time three farms; the farm that I am holding, in connexion with the other farms, I have been there all my life, and I may say that my predecessors have been there for about 200 years.

26,091. In fact, you are a really representative Cheshire farmer born and bred?—Yes.

26,092. Two hundred years you said your people had been there?—Yes.

26,093. Then, I presume we may suppose you have a tolerably wide acquaintance with Cheshire farming and Cheshire customs and Cheshire farmers?—Yes, pretty wide.

26,094. And although you have this wide acquaintance with Cheshire matters you have not taken any particular interest in the discussions raised by this Mr. William Smith?—No.

26,095. Do I gather your opinion to be this: that the opinions of Mr. William Smith, whatever they may be, are not very widely shared by Cheshire farmers as far as you know, and do not excite very great interest among Cheshire farmers?—They do not excite very much interest.

26,096. This is shown by the fact of the little attention that you have paid to it yourself?—Of course, they are not in harmony with my own feelings, that is the reason I have not.

26,097. As far as you can tell us would your views, generally speaking, upon this subject be shared by Cheshire farmers; and as to the opinion of your Chamber, do you think that you fairly represent that?—Well, from the discussions that have taken place in the Chamber, I know these discussions are not in favour of what they term "the three F's." I may say I am a member of the Council of the Chamber.

26,098. You are well conversant with the proceedings of the Chamber, and with the general view and opinions of that body?—Yes.

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26,099. You say that farmers in Cheshire have been losing money of late. Since what date would that observation apply to?—I should say from the date of 1887 and 1888.

26,100. What do you attribute this to chiefly?—I attribute it to the foreign competition.

26,101. That is, I suppose, to lower prices resulting from foreign competition?—That is it.

Price of cheese.

26,102. The lower prices of what articles chiefly are you referring to?—Cheese in particular. After cheese, beef and mutton and pork.

26,103. Is the cheese that you have to compete with of better quality than that which you produce in Cheshire?—We do not admit it.

26,104. But it is good, I suppose?—Yes.

26,105. Do you also sell butter?—Not to any great extent.

26,106. And milk?—Milk we do sell.

26,107. In milk, I suppose, you do not suffer from foreign competition?—No, except in this Swiss condensed milk.

26,108. Is there nothing to be done in the way of improving the manufacture of your cheese?—We have a Dairy Institute in our neighbourhood, that is very largely patronised, which has done a very good work in our district.

26,109. As far as you are a judge, is your cheese that you produce at home better than the foreign cheese that you have to compete with?—Yes.

26,110. Then how is it that the price of the better article is lowered?—Because there is so much foreign produce on the market that this naturally affects ours. There is too much cheese on the market.

26,111. Is it the case that even the prices of the very best cheeses are lowered in consequence?—Yes.

Demand for farms.

26,112. But in spite of all this I understand there are still plenty of applicants for farms whenever a farm is vacant?—Yes.

26,113. Then that looks as if farmers in Cheshire were still able to make a living in spite of the depression which you have had in the last few years?—But it is not a very remunerative living.

26,114. I suppose you would admit, yourself, that the depression in Cheshire is not so bad as in many other counties in England of which you have heard?—No, I think we suffered less in Cheshire than any other county.

The Agricultural Holdings Act.

26,115. Now, with regard to the Agricultural Holdings Act, I understand that you wish that that should be simplified, and chiefly with regard to the present system of giving notice; is that so?—No, I think that a 12 month's notice according to the Act is sufficient.

Claims and counter-claims.

26,116. I meant the notice that is now given for claims for compensation; did you not express some wish that the Act should be simplified in that respect?—Yes.

26,117. What is it that you have to propose?—That instead of two months, the tenant is obliged to give notice two months previous to the quitting of the tenancy.

26,118. That is the law now?—Yes.

26,119. What do you propose instead of that?—28 days.

26,120. That the tenant should give 28 days' notice?—Yes.

26,121. Have you anything to say with regard to the time at which the landlord should give notice?—I think it should be applicable both to landlord and tenant.

26,122. They should give notice at the same time?—Yes.

26,123. Do you attach importance to the fact that the landlord should not be able to give his notice after the tenant's has been given in?—Yes I do, in the first instance, but then supposing that there is any other claim he should have power to have an amended claim, that is, for damage done to buildings or anything of that character, I would say for 10 days after the termination of the tenancy.

26,124. Do you propose that the tenant should be able to give in an amended claim as well or not?—It will not be necessary, supposing that he makes an allowance

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for what he is going to consume during the existing period of 28 days.

26,125. There would be no necessity for any further notice on the part of the tenant?—No.

26,126. Then your view upon the subject is this, that the time of notice now provided for by the Act should be reduced from two months to 28 days?—Yes.

26,127. And that the landlord should have power, in addition, to make an amended claim in regard to deterioration of buildings afterwards?—Yes; for instance, suppose a man wilfully destroys any part of the holding.

Scheduling of improvements and Boards of Conciliation.

26,128. Are there any other respects in which you desire to see the Agricultural Holdings Act altered which you would like to put before the Commission?—I do not know that there are, except that these improvements should be tabulated; and then, supposing that any difference arose between landlord and tenant, I think that we want to elect a Board of Conciliation, and that this Board should be equally representative—that is, that somebody should elect an equal number of tenant farmers and landowners and, that these cases might be submitted to them for their determination.

26,129. You are now speaking of disputes that may possibly arise upon the question of compensation for improvements?—That is it.

26,130. Do you mean improvements such as those that you have spoken about in the first class, or all improvements?—Supposing that the first class improvements were scheduled then it would be an easy matter to determine their value, but if they were not scheduled, and if there were a want of evidence, and this evidence had to be produced, and it could not be agreed upon by the two parties, then these matters should be given to this Board of Conciliation.

26,131. Now I think I understand what you mean, that where improvements of the first class have been scheduled, and a record made of them in the way that you propose, then you are of opinion that there would be no necessity for a Board of Conciliation?—I don't think, where there is a mutual good feeling between landlord and tenant, there is any need of a third party even in this case.

26,132. But in cases where unhappily that mutual good feeling does not always exist, then you are in favour of a Board of Conciliation for certain purposes?—For certain purposes.

26,133. Those purposes, I understand, being for the valuation of first class improvements which have been made without this system of being scheduled?—Yes, everything that a tenant is entitled to compensation for.

26,134. Everything?—Everything.

26,135. The Board of Conciliation then would be for the purpose of valuing all the improvements for which he is entitled to receive compensation?—Yes, which could not be mutually agreed between the existing parties.

26,136. That Board of Conciliation is to consist partly of landlords' representatives, and partly of tenants' representatives?—That is it.

26,137. How do you propose they should be elected?—I think the best body to elect them is the Chamber of Agriculture.

26,138. Of their county?—Of their county.

26,139. How would you get it in a county where there is no Chamber of Agriculture?—I would refer it then, I think, to the County Council.

26,140. As to the method of election, have you anything to propose, or is that a part of the question which you have not thought out?—I have not distinctly thought it out.

26,141. Do you find the disputes with regard to compensation are common in Cheshire?—They are not very common; but still there are cases where such a Board would be an immense advantage.

66,142. Both with regard to the settlement of disputes and also for the purpose of doing full justice to the tenant?—Yes.

Value of land.

26,143. (*Mr. Dalton.*) Has the capital value of land in your county fallen?—It is estimated that it has only depreciated about 5 per cent.

26,144. The capital value?—Yes.

26,145. Have there been any sales of land lately in your county?—Not of farms.

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26,146. What has been your own experience as regards profit and loss; speaking generally, have you lost of late years?—Yes, I have.

Results of farming.

26,147. To any great extent?—If you take into consideration any interest for the capital, I have lost to a very great extent.

Rates.

26,148. Your rates, I think you say, have increased very much?—Considerably.

26,149. Have you got the figures as to the rates you pay now for your farm, and the rates you paid in previous years?—The rates I paid about 10 or 12 years ago would be about 16*d.* in the £.

26,150. That is very light?—Yes, two 8*d.* rates.

26,151. Was that the whole of the rates?—That was the whole of the poor rate and highway rate.

26,152. And those were the only rates you paid then?—Yes.

26,153. What do they come to now?—About 2*s.* 4*d.* generally.

26,154. That is an increase of 10*d.*, what does that amount to on your rateable value?—That would be, as I said, about half as much again.

26,155. What is your rateable value; what are you assessed at on your farm?—At about 28*s.* an acre.

26,156. 28*s.* an acre on 656 acres?—Yes.

26,157. (*Mr. Lambert.*) Have you a balance sheet of your own farm?—Yes.

Results of farming.

26,158. Have you been making a profit of late years?—No.

26,159. I suppose you are paying rent at this time?—Yes.

26,160. Can you give me any reason why you are not making a profit?—Because of the sales of the produce being very much less.

26,161. I suppose that if you paid less rent you would be able to make a profit?—I do not see that it is a matter of rent; it is a matter of the price of the produce.

26,162. Therefore, if the produce still continued to decrease in value, say, went down another 25 per cent., would you still think it your duty to pay the same rent?—No; I should expect some practical sympathy from my landlord.

26,163. Now that it has gone down 25 per cent. you do not expect any practical sympathy?—We get it.

26,164. Have you got it?—Yes.

26,165. You have had a reduction of rent?—Yes, a remission; not permanently.

26,166. But still it is not remission enough to enable you to make any profit; you are still losing money?—To a certain extent.

26,167. You are losing money?—Yes.

26,168. And yet you farm according to the best system?—I think so.

26,169. You said just now you had never heard of Mr. Smith, and the measure which he has proposed for the relief of tenant farmers?—I think I qualified that.

The three F's.

26,170. You are not in favour of the three F.'s?—No.

26,171. Do you know what they are?—Yes.

26,172. Would you mind giving them to me?—Fixity of tenure, freedom of cultivation, and free sale.

26,173. Fair rents, I think, is included in it?—I do not think that is in; I do not know.

26,174. I think fair rents, fixity of tenure, and free sale are the three F's. You say they do not particularly interest you; but does not a fair rent particularly interest you?—Certainly it would interest me; but when I go to make an agreement with my landlord, if I know that I have really the practical sympathy of my landlord, I have no other cause to complain.

26,175. But you have not practical sympathy enough now to enable you to make a profit?—Yes, but we keep hoping for better things, which do not come.

Fair rents.

26,176. Then, presuming those things do not come, you will expect some practical sympathy?—Yes.

26,177. But in the meantime you are losing money?—Virtually I am, but not to any great extent.

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26,178. You are not losing money to any great extent?—No.

26,179. But you would not lose money if you did not pay so much rent?—It is not so much a matter of rent as it is of the sale of the produce that we raise from the land.

26,180. But if you did not pay any rent at all you would make money then?—I should make money to the extent perhaps that I did not pay any rent.

26,181. Does not your rent more than cover your losses?—I say that I am not losing to any extent.

26,182. I say your rent more than covers your losses?—Yes.

26,183. Therefore you are interested somewhat in having a fair rent?—Yes.

Security of tenure.

26,184. Are you not interested in having security of tenure; that is, that you should not be turned out of your farm at a moment's notice?—Speaking personally, I am not afraid of it.

26,185. For what reason?—Because of existing circumstances, as I have explained.

26,186. Would you mind just explaining them to me again?—Because, as it were, there is a feudal feeling existing between landlord and tenant to a very great extent.

26,187. But you attach considerable value to security of tenure?—Yes, certainly I do.

26,188. You think it is of great value to the farmer?—Certainly.

26,189. Therefore it would interest farmers, as a rule, that they should have security of tenure?—Certainly.

Boards of Conciliation.

26,190. You advocated a Board of Conciliation for certain purposes; that is, for purposes of estimating compensation?—That is it.

26,191. And you would not be in favour of its going further, to estimate other matters of difference between landlord and tenant?—In respect of rent, do you mean?

26,192. And possibly in allowing the tenant to make improvements upon the holding?—As I said, the first class improvements would be included in what I have advocated.

Rent and value of produce.

26,193. At any rate, dairy produce has fallen 25 per cent., and the capital value of land, or the rent, has only decreased about 5 per cent.?—That is the estimated price.

26,194. Can you give me any reason why rent has not depreciated to the same degree as agricultural produce has depreciated?—No; the simple reason is that there are more people wanting farms than there are farms to be let.

26,195. And that tends to keep up rents?—That is it.

26,196. (*Mr. Channing.*) Do we understand that you come here in any sense as a representative of the Cheshire Chamber of Agriculture?—No.

26,197. You attended, I understand, the meetings at which the recommendations as to the changes in the Agricultural Holdings Act were discussed?—Yes.

26,198. Have you considered the recommendations made by the Central Chamber of Agriculture?—Yes.

26,199. Do you generally approve of them?—Some we approve of, and some we do not approve of.

26,200. In reply to Mr. Chaplin you stated your approval of the recommendation as to the notice, that it should be given 28 days before by both sides?—Yes.

26,201. Is there any other recommendation which you specially approve of; if you have not considered it, I will not press that point?—I do not know that I have.

Boards of Conciliation.

26,202. Do we understand that this Board of Conciliation is to be on any fixed numbers, or what is your idea and the idea of others in connection with it?—Of course, it rests with the people to elect them, but I should think 12 men, with an elected umpire or referee.

26,203. You contemplate something like the Board of Conciliation, which has been sitting in various strikes, and things of that kind?—Yes.

26,204. That is, so many on each side?—Yes.

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26,205. Not a court composed of a county court judge and two assessors chosen by two sides, or anything of that kind?—No.

26,206. (*Mr. Lambert.*) How would you pay all these men?—They would be like any other public officer. I do not think they would expect much pay.

26,207. You expect to get these men to do the work for nothing?—To a certain extent. All these officers are honorary in our district.

26,208. (*Mr. Channing.*) I do not quite understand what you say about the first class improvements, and the relation of this Board of Conciliation to them. Do you mean that if a tenant wishes to have a first class improvement carried out by the landlord, and the landlord refuses, that that would be one of the matters which you would refer to this Board of Conciliation to consider whether it would be suitable to the holding?—The thing would not exist if he did not give his consent. I have to obtain the consent of my landlord in order that this permanent improvement in the first class may exist. I could not agitate on a thing that did not exist.

26,209. I mean, if you applied to your landlord to erect a certain building for the use of your farm, and he declined to do so, is that one of the questions that you would refer to a Board of Conciliation if it was a necessary building for the work of your farm?—I have not considered it in that light.

Price of cheese.

26,210. You said that the prices of foreign cheeses, I understood, were kept up, and that the home cheeses did not sell so well?—I think you misunderstood me.

26,211. Have you gone into the question of comparing the foreign imitations with the Cheshire cheese and the testing of the two?—It is very evident that the foreign cheese is of very much better quality than it used to be, and if we had not applied ourselves intelligently to making a better class we should have been beaten altogether.

26,212. Is this better class of cheese being made by a few men like yourself, or is it being organized among a large number of farmers in Cheshire?—It is being organized by a large number in Cheshire, inasmuch as we instituted before the County Council this Dairy Institute for the better teaching of the art of cheese making.

26,213. And that is improving the position in Cheshire?—Yes.

26,214. (*Captain Owen Thomas.*) When did you begin to feel the depression in Cheshire?—I should say it would be some time about the year 1878 or 1880.

26,215. What would you say has been the reduction in the prices of farm produce in your district, as compared with the times when you commenced to feel the depression?—Do you want the percentage or do you want the real prices? If I were to give you the real prices it is this: we used to sell our cheese at from 60*s.* to 75*s.* per hundredweight, now we have to sell it at from 45*s.* to 60*s.*

26,216. (*Sir Nigel Kingscote.*) How long ago did you get the highest price for it?—I think that would be about 1874 or 1875—somewhere in the seventies.

Sizes of farms.

26,217. (*Captain Owen Thomas.*) Are you a tenant on a small or large estate?—On a large estate.

26,218. What is the average size of the farms in your district?—About 200 acres.

26,219. And on that estate, I suppose, about the same?—There are many smaller farms on this one estate.

Average rent.

26,220. I think you said the average rent is 30*s.* an acre?—Somewhere about that.

26,221. Is that on that estate or does that include the whole neighbourhood?—It is a little higher on estates where superior accommodation has been given in the way of buildings and homestead.

Reduction of rent.

26,222. Did you apply for the remissions which have been granted to you?—We asked for it.

26,223. In a body, or did you go yourself individually?—We approached the agent.

26,224. Did you ask for more than 25 per cent.?—No, we never dictated at all, but tried to explain our circumstances.

26,225. Were you satisfied when he promised you 25 per cent.?—We have not got 25 per cent.

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26,226. I thought you said you had?—No.

26,227. What have you had?—We have had, I should say, on an average about 10 per cent.

26,228. What should you say has been the reduction in the price of farm produce? I come to the question again as a matter of per cent. How much per cent. less now do you receive than you did in 1878?—It would be 25 per cent.

26,229. Would you say that the farmers in Cheshire are satisfied with the rents that they are paying now?—I cannot say that they are.

26,230. Are there any means by which they can be satisfied as things are at present; can they approach their agent or the landlord and arrange it in that way?—In many instances they can, but as I said, it is not a matter of rent only, we want to see that this foreign produce is put on the market in a different way to what it is to-day.

Low prices.

26,231. Would you say it was a blessing or a calamity that produce—bread, wheat, cheese, and all that sort of thing—is sold at such a low price?—It is no blessing to the farmers.

26,232. But what about the other people, the consumers?—They do not receive the same amount of employment that they did, through the low price of this produce, because the farmers have not the money to spend.

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26,233. But foreign produce is imported and is sold above cost price; you cannot say that it is sold below the cost of production?—In some cases it is.

The Board of Agriculture.

26,234. (*Mr. Elton.*) Do you think that the difficulties in the Agricultural Holdings Act which you have spoken of, that is to say, the difficulties of comprehending it, could be explained to the farmers by the Board of Agriculture; do you think that the Board of Agriculture in this country should do what I believe they would do in America, issue to the farmers small explanatory tracts or explanations of the Agricultural Holdings Act?—That would be a very good thing.

26,235. It is the business of an agricultural department, at least in many countries, to circulate information to the farmers to make them understand difficulties?—That is very much required in our district.

26,236. And in particular about the way to make an easy use of the Agricultural Holdings Act?—Yes.

26,237. Do you think that would be a practicable thing for them to do at once?—Very.

The witness withdrew.

Mr. W. Bell.

Mr. William Bell called and examined.

Mr. W. Bell.

26,238. (*Sir Nigel Kingscote.*) I believe you are a tenant farmer in Forfarshire?—Yes.

26,239. How long have you been a tenant farmer?—Twenty-two years.

Particulars of farms.

26,240. You hold three farms, I believe?—Yes.

26,241. On different properties?—Yes, from two different properties.

26,242. Are they all arable, or are they grass?—We have grass in rotation, but it is all arable land.

26,243. It is all what you would call arable land?—Yes.

26,244. How many acres?—About 720, I think.

26,245. May we know the rental?—Fully 1,000*l.*

System of cultivation.

26,246. You said just now that you treated some of it as grass; have you altered the system of cultivation lately?—I do it at any time; I have full liberty of cropping, and I can either leave it in grass or take it up as I like. I have full liberty with all my land, but this is not the general rule.

26,247. Have you laid any down to permanent grass?—None permanent. I take it up from one to five years, as I want it.

26,248. Have you altered the system of cultivation on account of decreased prices of agriculture, or for what reason?—Just on account of the lessened prices.

26,249. So that you may keep more stock upon it?—Yes.

26,250. And grow less corn?—Less corn, and less green crop—less potatoes for instance; we used to grow a good many of them.

26,251. Therefore you carry a much larger stock upon your farm of either cattle or sheep, or both, than you formerly did?—Exactly.

26,252. Are you also employed in agricultural valuations and arbitrations?—Yes.

26,253. You are employed as a valuer?—Yes.

26,254. I suppose that has made you acquainted with a large district of country?—Yes.

26,255. May we say all Scotland?—No, I should not say through all Scotland, but Forfarshire, Fifeshire, Kincardineshire, and Perthshire.

Effect of the depression.

26,256. Will you tell us what have been the effects of agricultural depression; have all classes suffered, or who has suffered most or least?—Landlords and tenants.

26,257. They have suffered as much as any, you mean?—The landlords and tenants have suffered, but the labourers have not suffered any in our country.

26,258. Have the large tenants felt as much difficulty in meeting their rents as the small ones?—I suppose much about the same.

26,259. Would you say that the small tenant is worse off than the labourer?—Practically I should say he was. He may pay the rent, or exist on the place, but it is only by his family's industry.

26,260. And probably his family being able to work with him?—Yes, that is so, whereas they would earn more wages working for some other person, or at some other occupation.

Wages.

26,261. Have the labourers' wages increased with you?—Very much.

26,262. Can you tell us at all what percentage; take 12 years ago or 15?—We only employ a few of the labourers by the week; they are mostly employed by the year or half year. When I began, the weekly labourers I had at 13*s.* a week, now I pay 18*s.*; they are up 5*s.*

26,263. That would be 30 or 40 per cent.?—Yes, the yearly men are up about 1*s.* a day—about 15*l.* a year.

26,264. Are those men employed upon the same number of acres that they used to be?—I do not think so.

26,265. Are they better housed than they used to be?—A great deal better.

26,266. Would you consider an agricultural labourer in your district to be as well off as artisans in towns?—Far better.

Land laid down to grass.

26,267. Is there any land that has gone out of cultivation in your district?—Not out of cultivation; it has been laid down to grass, but there has been nothing left to waste.

26,268. That which has been laid down to grass, has it been laid down with care and attention, so as to become permanent pasture, or merely just laid down to graze a few sheep or cattle?—Of course it depends upon the kind of land it is, but I do not know that very much land with us has been laid down, as I have seen it laid down in the south.

26,269. That would have been an inferior sort of land?—Yes, pretty high-lying land.

26,270. Has the best land suffered like that?—No, it is still cropped.

Condition of cultivation.

26,271. Do you think, speaking generally of the district, that the land is as well farmed as formerly?—I do not think it is quite as well farmed as formerly, taken all over.

26,272. There is not so much money laid out in manures?—On a great deal of the best land there is quite as much, but whenever you come to the inferior land, where it will not pay for cultivation, there is a great deal less.

26,273. In fact I suppose everything has been done latterly to try and reduce expenses?—Certainly.

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Changes of tenancy.

26,274. Do you think there are more changes of tenancy now than there were?—I do not think so; landlords in our country take less rents, and of course when a man is brought up to farming he is not much use for anything else, and if he can get a living he sticks to it.

26,275. Rents have been very much reduced, have they not?—Very much.

Change in cultivation.

26,276. I think you said that there has been a great change in the mode of carrying on the cultivation of the farms, there has been an alteration in the rotation of crops?—Yes, and there will be still more, I think, presently. We are just on the eve of greater alterations in Scotland, I think; the price that wheat and potatoes have come to will alter things immensely.

26,277. Therefore you think that that will tend in a great measure to displace the labour, and to make it less?—It must do so.

26,278. Is that the reason that you have individually given up growing so many potatoes, on account of the labour?—Not on account of the labour, but on account of the price I get for them. I feel no trouble about the labour, but I feel the trouble to get plenty for the crop when I grow it.

Effect of depression.

26,279. Do you think that the depression has shown itself at all in the management of the estates, and the keeping up of the landlords' houses, and the amenities of the house?—Certainly.

26,280. I suppose you attribute that to the diminished rent roll?—Certainly.

26,281. And it also has tended to prevent landlords laying out any more money than they possibly can help?—They try to do that; they lay out as little as possible, because there is no certainty of a return.

26,282. But they have been laying out money?—Yes, they had to do it.

26,283. In keeping up buildings?—Yes.

26,284. The tenants do that mostly, I believe?—No, the Scotch tenants do not do it so much, the landlords do most of the buildings in Scotland.

Rural depopulation.

26,285. Do you think that the change which is going on is likely to affect the population?—I should think the rural population will decrease.

26,286. It will have a very great effect upon the agricultural labourer really?—Certainly; it will upon everybody.

26,287. What do you say are the causes of the depression?—The low prices of course are the cause.

Foreign competition.

26,288. How are they brought about, by foreign competition or what?—Foreign competition.

26,289. You told us that that is shown very much in wheat and potatoes?—Certainly. I may say that off one farm I have sent about 170 tons of potatoes to America this year, because I could not find a market at home, and I paid the American Government fully 300*l.* duty. I grow about 45 acres of wheat on that same farm, and I used to count upon getting 2*l.* a quarter for it, and I am only getting 1*l.* just now. That is how it affects me.

The season, 1893.

26,290. Do you think that you suffered as much in Scotland last year as the English farmers did, owing to the season?—Not so much as the English farmers did, certainly not, we were not burnt up. We had a fair enough crop if we could have got money for it, but we had to sell wheat at 1*l.* a quarter, and potatoes at 30*s.* a ton, and there is no money in the trade.

26,291. But then also, I suppose, you have more feeding stuffs to give animals, and therefore you would have liked to have been able to have had more store cattle, or to have had them cheaper?—Certainly I would like to get them cheaper—as a feeder I would like to have them cheaper.

Importation of Canadian cattle.

26,292. Would you like to see more Canadian cattle coming in again?—Certainly, I would like to see free trade in everything. They send us the beef finished, and I think we should like to compete with them in getting Canadian cattle, or any sort of cattle.

26,293. Would you chance their bringing disease with them?—I should never trouble myself about it; I have had it before.

26,294. Have you had disease upon your farm?—Yes, several times.

26,295. And do not mind it?—You cannot mind it. It is the same as a loss in anything else. We have been more troubled and more loss has been caused by shutting out Canadian cattle than ever we had by disease.

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26,296. Then you would chance the disease if you could get Canadian cattle?—Certainly, or the Holstein cattle that we used to get long ago. The Holstein are the best cattle we ever got—far better than any Canadians.

26,297. (*Mr. Chaplin.*) Would you do that even if you were confident it would bring disease?—I do not see that it brings back disease any more than our own.

26,298. I did not ask you that; if evidence was shown to you that it would be the means of bringing back disease, that is to say, that those countries are not free from disease; would you then take the risk of it?—Yes, I should take the risk with the experience I have had myself for 22 years, and having known the trade all that time. I should take the risk at once.

26,299. (*Sir Nigel Kingscote.*) Have you no experience of store cattle coming from the south of England, or any part of England to the Scotch markets?—I have; I have had a lot of them last year, coming from the county of Kent, and from Shropshire.

26,300. You did not like them as well as the Canadians?—Certainly not; they came too thin; they were not very good.

Rates.

26,301. Then as regards the taxes on land, do you find them heavier than they were?—I do not think there is a great deal of difference in our quarter.

26,302. Not?—Not a great deal.

26,303. You have no wish to express as to that?—Not a great deal. On one of my farms I pay a high poor rate because I am near a manufacturing town—within four miles of it, and I pay there perhaps twice or three times as much as my neighbour over the fence, and I get no benefit for that, but unless they increase the areas (the assessment is all by parishes in Scotland), unless they put us into a union, or something of that sort, I do not see how they can make any change for the better.

26,304. Then you express the opinion that the rating area of agricultural land ought to be entirely distinct from town's land?—Yes, and I should have the rate put upon means and substance. Any man in business can make 500*l.* a year and get off by paying 1*l.* in poor rates, and a tenant farmer who can make very little has to pay 20*l.* or 30*l.*

Condition of cultivation.

26,305. Do you think that, taking your district generally, there is a diminished production?—I do not think so, not a great deal.

26,306. Do you think that the land has suffered from insufficient capital?—I do not think there is any difference in that to what there was. In the good land there are always people willing to take the farm. If a man is not competent he must go out and make place for some other body. That is the only thing in Scotland apparently—they do not stick there if they are not competent.

Tenure.

26,307. As regards the Agricultural Holdings Act do you think there is much complaint about the present system of tenure?—It is a sort of dead letter in Forfarshire. There is too much formality and expense about it.

26,308. In what way would you like to see it altered?—To get it simplified.

26,309. Do you think that it is not very understandable?—It is quite understandable enough, but it needs too much of the lawyer about it to get through with it quickly enough, and he takes too much of the profit and the farmer gets nothing.

26,310. Do you think it tells against the tenant and is more in favour of the landlord?—No, I do not think so; I think it is against both of them. I think it only goes to the lawyer. The landlord has to pay and the lawyer pockets the money, and the tenant gets nothing. That is about the general thing.

26,311. Some of it goes into the pocket of the lawyer?—A good deal.

26,312. Have you any idea as to what you would like to see changed in it?—Simplify it and make it like any ordinary claim.

Restrictions.

26,313. Would you like to see the restrictions removed from the leases?—Not a great deal. There are a lot of

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petty restrictions that might be with advantage put off altogether. They are not perhaps of much consequence as they are not very much acted upon, but it would be as well if they were left out.

26,314. You do not think that the effect of the Agricultural Holdings Act has in any way increased the depression in agriculture?—I do not think the Agricultural Holdings Act has had anything to do with increasing the depression.

Railway rates.

26,315. As regards railway rates, have you anything to say about them?—Yes; there is a great outcry in our days in favour of everything which helps to simplify matters to bring the producer and the consumer together, but instead of that the railway rates have turned the other way. In our quarter they carry at special rates under a ton or two tons, and then four tons, and then large quantities. Whenever you get a large quantity of course it is a good deal cheaper, and then the small producer cannot live. It tends to throw everything into the hands of the middleman; he has to buy the whole grain in the neighbourhood.

26,316. From your knowledge of it do you think that the foreign goods are carried at a lower rate than the home produce?—Yes.

26,317. Although the home produce may be carried a shorter distance it pays more than the foreign does on a long through rate?—They bring wheat for instance to Liverpool—they rail it from Liverpool at a very small rate, but if we want to move it 15 miles in our country we pay as much as they will get it pretty well across the whole country for. Everything is sacrificed now-a-days for through trains and through rates, and everything of that sort. There is no effort made to develop the country at all.

State loans.

26,318. Do you think that the want of capital among both landlords and tenants might be met by State loans in any way?—Of course it is always a good thing to get cheap money, but I do not think that that would make a great deal of difference either.

Co-operation.

26,319. As regards co-operation in the manufacture and distribution of agricultural products, have you seen it tried anywhere with any good effects from it?—I have seen none in our country.

26,320. What do you think about it?—I think nothing of it at all. I think everything is far better left to individual effort. I think the only specimen we have got in our country is a creamery. It was started as likely to be a great benefit to the clay land in the neighbourhood of the Carse of Gowrie, and it got the name of Carse of Gowrie Dairy Company; it was to distribute milk cheaper and to do everything to make things better: but the only thing it has done has been to lose a lot of the money of the shareholders.

26,321. You do not think it will answer?—It has not answered.

26,322. As a matter of fact it has not?—No, I do not think so.

Land Courts.

26,323. As regards the position of landlord and tenant, would you wish to see any third party come between them for the purpose of fixing rents?—No.

26,324. Would you wish to see a land court?—No.

26,325. You think the tenant farmer is quite able to make his own contract or bargain with the landlord?—He should be.

26,326. And you have no wish to see a third party step in between them?—No, I have not.

26,327. (*Mr. Clay.*) I think you have been largely employed as a valuer?—Yes; for 10 years.

Valuations.

26,328. Is that for valuing land?—Valuing land and agricultural valuations, all descriptions of them.

26,329. Railway lands as well?—Yes.

26,330. In valuing railway land what amount of value do you put on above the real rental; how much increased per cent. for forced occupation?—Land taken for railways is generally valued at 30 years' purchase plus 50 per cent. for forced sales, that is 45 years' purchase in Scotland.

26,331-2. Have you been employed in valuing under the Agricultural Holdings Act?—Yes, both by landlord and tenant.

26,333. Have you any rate that you go on for manures and cakes and feeding stuffs?—I may say that in Forfarshire there has very seldom been a case that has been very much disputed, except one or two. In most of them it is a sort of private agreement, and very often it has been referred to one arbiter.

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26,334. What is your rate of valuation for the different classes of substantial manures in the shape of bones and bone meal?—I could not give it to you off-hand exactly, but I could give you a note of it perfectly well.

26,335. Could you supply to the Commission the general rate that you settle these questions upon in Forfarshire and other districts round about you, as an appendix to your evidence?—Certainly.

26,336. Could you supply the Commission with the rates on cakes as well?—Certainly.

26,337. And the value that you put upon these unexhausted articles that are left in the farm?—Yes. (*See Appendix.*)

26,338. You have said that the large and small tenants have suffered alike?—Yes.

Small farms.

26,339. The small tenant having his family working round about him has not been better able to stand the strain of severe times compared with the large tenant?—If he has got his family with him they have to live out of it. We have a good many small tenants in my neighbourhood, and they have a greater difficulty than the large tenants in getting along.

26,340. Have the families stuck to them as they used to do under the Scottish system?—As soon as they are grown up they go to the towns to service and to the factories.

26,341. So the young families now do not work upon the farm as they used to do?—No.

26,342. That has altered their position considerably?—Very much.

Export of potatoes.

26,343. Regarding the price of potatoes, you say you have been sending potatoes largely to America; have you found that profitable?—Yes.

26,344. What have you been realising per ton after paying the duty?—This year.

26,345. Yes, and last year?—This year I got up to 46*s.* or 47*s.* per ton; that is the most I got.

26,346. Was that clear gain after paying duty?—After paying everything.

26,347. What is the duty a ton on potatoes in America?—It is very nearly 2*l.* a ton, 37*s.* or 38*s.*

Importation of Canadian cattle.

26,348. You talked about the introduction of foreign cattle and said that you would rather have them and face the disease than be without them?—Certainly.

26,349. Do you not think if that were to bring lung disease or rinderpest or any of those things it would be a very serious thing for you?—We had it before and we made more money at that time than we make now. That is the only thing I am speaking of.

26,350. Was the money made from cattle alone, or was it not made from the general increase of prices all round?—Taking the cattle themselves we made more money.

26,351. I think cattle were 10*s.* and 11*s.* a stone then?—Yes.

26,352. What is the price now?—It would be about 20*s.* a cwt. cheaper than it was since 1882.

26,353. Did not the higher prices all round then lead to the money-making in cattle you are talking about?—They did to a certain extent.

26,354. If the importation of cattle brings in disease wholesale, as we had rinderpest in 1863 and 1864, and if we introduce lung disease from America, would it not be a very serious matter for the home-breeder of store cattle?—I think if we introduce so much as we do from America of meat and other things and stop the importation of live cattle, the cure is worse than the disease.

26,355. Are you not arguing this question from a purely personal feeder's view and not from a breeder's view?—Most distinctly. I am not a breeder of cattle at all; I am a feeder of them. Our land is not so much adapted to breeding in Forfarshire.

26,356. How would a farmer who breeds regard that view of yours?—The breeder, I suppose, wants everything kept out—I should imagine so.

26,357. But if the importation were to bring in disease, what effect would it have upon the general breeders of cattle?—Of course if they got disease it would be the same with them as with the feeders, they would lose money; that is the only thing.

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26,358. Would the breeder not lose more in proportion all over the country than the benefit you would get from supplying a few feeders in Forfarshire and Aberdeenshire and other parts; and would he not be at a greater disadvantage in having disease brought by the cattle that you have to feed?—I have fed a great many Canadian cattle and never saw pleuro in them at all. I once purchased a lot of cattle, and one of them after newly coming from the ship took ill. The local authority ordered ten cattle (out of 100) to be kulled. Nothing was found wrong, except the first beast, and the remaining 90 were kept on and fed. Every one remained healthy. They said it was pleuro, but since then I have had the same thing twice. It is when we get them out of the ship over-heated and put them to the fields and they get a bad night that they appear like that.

26,359. Do you believe that the pleuro comes from natural causes or do you say it comes from the overheating?—It was no pleuro.

26,360. You do not believe in pleuro?—I do not believe that that was pleuro.

26,361. Do you believe in pleuro at all?—Yes, most certainly I believe in pleuro, and I have had it.

26,362. Is it contagious?—I do not know what you call contagious, but if you have one beast in a lot and it breaks down with it, you may look out in another 10 days for another. That is the only thing I know about it; whether you call that contagious or not I cannot tell.

26,363. On the whole, for a feeder you would not object to have these cattle brought in?—I have yet to learn that we got it from them. It was never amongst these Canadians, it was always amongst the Irish cattle I had it.

26,364. I go back to the starting-point, how would the admission affect the general breeders, those who rear cattle for the general public?—We all work for the general public, the feeder as well as the breeder.

26,365. Is the breeder not of more consequence than the feeder?—I do not know. I imagine they are both needed for the benefit of the country. If everybody was a breeder we should have to do as people are doing just now, take the American beef and breed cattle for our own use only. *Mr. W. Bell* 28 June 1894

26,366. But if there were more breeding and less feeding would not the one meet the supply and demand better?—I do not think so. At the present time they have got big training grounds for troops at Barry, and even the Government are not patriotic. They are supplying the men there I understand with American killed beef.

26,367. Do they have American beef for the British soldier?—Yes.

Rates.

26,368. Then regarding poor rates, I think you said at one part within the radius of the burgh that you would pay an extra rate?—I am four miles from the burgh, but half of the burgh is in the same parish as my farm.

26,369. Do you not receive equal advantage from the burgh?—I receive no advantage from the burgh; I am four miles from it, it is no benefit to me at all.

26,370. No benefit in buying your produce and saving your carriage?—None. I put it on at a station within a mile and a half of my farm, and very little of what I produce is consumed in the burgh.

26,371. You would know that when you took your farm?—Certainly. I am speaking of it as a general piece of policy.

26,372. Where would you improve the rating? Would you put it upon personal property?—Yes.

26,373. You used the expression—I do not know if the English people know much about it—"means and substance"?—Yes.

26,374. You mean by that, personal property?—Certainly. If a man is earning 500*l.* a year he should pay on 500*l.* a year. They assess the income tax in that way.

The witness withdrew.

Adjourned to to-morrow at 12 o'clock.

Forty-ninth Day.

Friday, 29th June, 1894.

PRESENT:

The Right Hon. GEORGE JOHN SHAW-LEFEVRE, M.P., in the Chair.

The Right Hon. Baron Rendel.
The Right Hon. Henry Chaplin, M.P.
Sir Robert Nigel Fitzhardinge Kingscote, K.C.B.
Robert Giffen, Esq., C.B.
Charles Isaac Elton, Esq., Q.C.
Captain Owen Thomas.
Francis Allston Channing, Esq., M.P.
John Clay, Esq.
Cornelius Neale Dalton, Esq., C.B.
Robert Lacey Everett, Esq., M.P.
John Gilmour, Esq.
George Lambert, Esq., M.P.
William Cutlack Little, Esq.
Walter Hume Long, Esq., M.P.
Charles Whitehead, Esq., F.L.S.

Herbert Lyon, Esq., *Secretary.*
R. F. Crawford, *Assistant Secretary.*

Mr. William Bell recalled and further examined.

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Importation of Canadian cattle.

26,375. (*Mr. Clay.*) I elicited some opinions from you yesterday regarding a very important question, which is the admission of Canadian cattle into the country. You seemed to say you had no fear of disease; indeed you went the length of saying that you would take all risks?—Certainly I would.

26,376. I put the question to you: how does that affect the English and Scottish breeder of grazing cattle and feeding cattle?—I suppose it first affects him in the same way as every other importation affects his neighbour; he first has to take his chance; it would tend to cheapen cattle, there is no doubt of that.

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26,377. Take the chance of disease you mean?—No, I am no more afraid of any foreign cattle than of our own. I have found more disease in my Irish cattle than ever I found in any other class of cattle.

26,378. Do you know of the importation of foot-and-mouth disease from the Continent, you grant that do you?—I do not know where it come from, but we had it. I have had it myself amongst my stock three times

26,379. Do you know whether it was traced to foreign importations from Germany, and some of those places?—I suppose it is the same as with the human race;

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wherever there is cattle there must be disease. I do not believe in ever stamping it out.

26,380. Do you not agree that it is a very serious matter when one comes across breeding cattle?—It is a serious case I think in any class of cattle. It is one of the risks of the trade.

26,381. Do you think the general community, the beef and mutton eaters of this great country, would not be seriously damaged in having disease imported into their flocks and herds?—I do not think so; we get plenty of foreign beef as it is, and they would just get the more. That would be the whole of the matter. There is plenty of foreign cattle brought dead to this country, and if we had a short supply here we would only get more. That is the only way I can see out of it.

26,382. Would it not meet the question if these cattle instead of coming here to be fed were slaughtered at the ports or sent in in the dead state as they are just now, and so keep them out for fear of the spread of disease?—In Scotland, if we are feeders instead of breeders, what does it matter for the country?

26,383. I put it to you, if every farmer was breeding 30 per cent. more and feeding, say, 30 per cent. less, would the supply of the lean stock for grazing and feeding not meet the supply and demand better than it does just now?—I do not think so.

26,384. You state that in Forfarshire you are a non-breeding country?—Most of it.

26,385. Would it not be as profitable to breed a part?—I have done it, and I tired of it. I found it did not pay me.

26,386. What pay have you been generally getting for these Canadian cattle that you have been feeding?—It depended on the class you bought.

26,387. Have you been sufficiently paid, better than by home cattle?—Yes.

26,388. You made a remark that you were better paid with Irish?—That was a mistake I think, I have been better paid by Canadian cattle.

26,389. How much per head have you received off Canadian cattle for feeding?—I have had 1*l.* a month; I have had 2*l.* a month; I have had 50*s.* a month. It just depended whether you bought them for short keep or long keep.

26,390 How long have you to keep these cattle until you make them into what you call good Scotch beef for the London market?—Some of them only a month, some of them three months, some of them six, and I have kept them 12 months.

26,391. And then sold them as good Scotch beef?—I do not know what they are sold for; they first go to the market; we sell them for what they are—we sell them for nothing else.

26,392. Do they sell at the same price as Aberdeens?—If they are small-boned neat cattle they do; if they are big strong cattle they do not.

26,393. Still you would rather have free trade in receiving cattle, what you would call free trade in disease, the same as anything else?—Certainly.

26,394. That is your opinion?—That is my opinion.

The Agricultural Holdings Act.

26,395. Regarding the Agricultural Holdings Act, would you say that it is good as far as it goes, but it could be made more workable and rendered more simple in application?—Yes.

26,396. What suggestions have you on that point?—I say there is too much of the law about the whole affair. At every step you are met with difficulty; if you do not give notice on a certain day, and if you do not do this and do not do the next thing, you are altogether thrown of course. I do not think that should be.

26,397. What remedy would you propose, to simplify the working of the Act?—Just make it a simple claim like anything else.

Claims and counter-claims.

26,398. Regarding the giving in of claims, would you look upon it favourably that these landlords' and tenants' claims should be given at the same time?—I should think so. I do not see why one man should have a preference over another—neither landlord nor the tenant. There is no use for it.

26,399. The present law in Scotland is that the claim of tenants must be given in four months before the end of the tenancy?—Yes, that is so.

26,400. In England it is two?—Yes.

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26,401. You think both these preferences to the landlord should be equalised and be put on one footing?—Certainly; I see nothing to take it out of the ordinary run.

Official referees.

26,402. Then regarding the compensation given for feeding stuffs, increased fertility, bones or good manures, would you have that left for one man—a referee or an overman as we call him in Scotland—to discharge that duty instead of so many?—There is no use for three.

26,403. You would rather agree that we should have one man set aside or two or three men in each county either appointed by the sheriff or sanctioned by the Board of Agriculture here, to become what you call experts in sitting down to dispense justice towards landlord or tenant, and thereby cheapening the process of procedure?—I think so. I think it would be far better.

Land laid down to grass.

26,404. I think there is one blot in the Act, I do not know whether you have the same opinion; that it does not give the tenant any allowance for increased fertility in laying down the land to grass?—I think that is the greatest mistake as far as we are concerned in Scotland.

26,405. So whoever dispenses justice in that Act you would give them sound ground to go upon, to give allowance for that increased fertility by laying down to old grass?—Certainly.

26,406. You think the Agricultural Holdings Act would be very workable if you dispense with lawyers and dispensed with the expensive procedure under the Act?—I see no difficulty about it.

26,407. The principle itself is good enough?—The principle itself is good enough.

26,408. But the working is bad?—That is just the only thing.

Co-operation.

26,409. You made a remark about co-operation; you did not, I think, look favourably upon it?—In our neighbourhood it has never done well.

26,410. Have you had any experience of it?—Very little. There has been very little; but what has been, has been a sort of failure.

26,411. Do you know that society from Edinburgh, the Farmers' Supply Association?—I think I can buy anything that I require cheaper than they can sell it to me. I do not know if it is right—I have seen their lists very often although I am not a member.

26,412. You are speaking from an individual point of view. Are all men in the same position as you, and knowing the trade as well?—I do not know about that. If they think it is better, I think they are quite entitled to go to a thing of that kind, but I do not think that those associations will affect agriculture very much.

26,413. In a co-operative sale, has that not been a benefit to men who are not so well qualified to judge of price as you are?—I am not prepared to say. My experience as far as that goes in the matter is not sufficient to entitle me to speak.

26,414. That Society has been so far prosperous?—I believe so.

26,415. And has met a great want of people that do not know the trade so well as you in the continual daily work of the buying of these manures?—Exactly.

Demand for farms.

26,416. (*Chairman.*) Are there any farms unlet in your district?—Very few; everyone could be let if it was wanted.

26,417. When farms are to be let are there applicants for them?—Yes, plenty for the most of them, if good farms. If there is a bad farm sometimes it is difficult to get it let, but practically it is not very much.

26,418. Practically there is no difficulty?—Not in Scotland.

26,419. Are there men with sufficient capital ready to go in?—There is not so much capital in that country as there used to be.

26,420. Are there men with sufficient capital?—They must just take them as they get them now.

26,421. What has been the reduction of rents?—I should say 35 per cent.—30 per cent. at any rate.

Wages.

26,422. Have the wages of labourers been maintained?—Very well; they have increased.

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26,423. Has there been much alteration in the cultivation of the district?—It is always varying.

26,424. Is there any dairying?—There is not much dairying in Forfarshire.

26,425. Has there been any substantial change?—There is more land laid down to grass than there used to be in the higher lands.

26,426. But in the lower districts?—There is not so very much yet.

26,427. About the same?—Yes, about the same.

26,428. Then the result is that the landlords have got less rent, and the farmers have got rather less profit?—That is so.

26,429. And the labourers have got more wages?—A good deal.

26,430. Then it would seem that the result in your district is that the labourers have got a larger share in the produce of the land than they did formerly?—No doubt about that.

Repairs, etc.

26,431. (*Mr. Gilmour.*) Yesterday Sir Nigel Kingscote asked you about tenants doing repairs in Scotland, and I do not quite think you caught his meaning. You said that they did not do repairs in Scotland?—I understood his question to be about erecting buildings.

26,432. I thought you had mistaken that. Do tenants undertake to keep the buildings and fences in repair when they take their lease and to leave them so?—That is so in many cases.

The letting of farms

26,433. We have been told by a good many witnesses here that the system we have in Scotland of advertising farms tends to bring about undue competition for them. Is that your opinion?—The competition would be there at any rate. I do not think it does.

26,434. Do you see any other practical way of getting farms let, and of putting them before the public?—If I was a landlord I should certainly advertise them myself if I wanted to let. I should never think of anything else. We think nothing about that.

Freedom of cropping.

26,435. If freedom of cropping was granted, would that alter the mode of cultivation to any extent in the counties you know best?—Not to such a great extent as people imagine. It would in certain cases, but not to such a great extent as people talk about. It would very soon rectify itself.

Leases.

26,436. Is there a tendency in the farms that are being let in the country now to go back to the 19 years' lease without breaks?—In some cases there is; I should much prefer a 19 years' lease myself.

26,437. Can you say it is rather pointing at present that men are preferring to go upon a 19 years' lease?—You get one man to take for 19 years, and another man says "I will take a break;" it is about equally divided. If there is a good farm, and a man thinks he is getting a fair bargain, he is quite willing to go in for 19 years; he rather prefers 19 years; he has some security then.

26,438. Would you go the length of giving a tenant going in for a 19 years' lease freedom of cropping as long as he left the farm in a certain rotation which you desired at the end of the 19 years?—I have that, myself; I am only restricted for the last two years of my lease.

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26,439. Do you think that that would, as a rule, keep up the fertility of the soil?—I do not know; I should not like to say so.

26,440. It depends on the man?—Exactly.

The scheduling of farms.

26,441. It has been proposed by witnesses that an inventory of the state of all the different fields on a holding should be taken when a man enters, and used at the expiry of the lease; would that be practically of any use at the end of a 19 years' lease with us?—Death would intervene, and you would not have the same man to look at then, and I do not think a written document would be much use to look at. I do not think that is a very practical thing.

Importation of Canadian cattle.

26,442. (*Mr. Chaplin.*) Upon the question of Canadian cattle you have expressed some very strong opinions; I understand you to be of the opinion that rather than that the Canadian cattle should not be allowed free admission into the country, you would be quite prepared and willing, in preference, to run the risk of re-importing disease; is that so?—I should take the ordinary risks of the trade.

26,443. You would?—Yes.

26,444. The ordinary risks of the trade?—Yes.

26,445. You are aware that immense sums of money have been spent within the last few years by the Government for the purpose of eradicating that disease, and that that object now has been practically if not actually accomplished; but still you would be content to see all the results of that expenditure thrown away, provided you could get a return of the free admission of Canadian cattle?—I should like free trade in cattle as in everything else. We cannot carry on as farmers under present circumstances.

26,446. Even if the result of admitting Canadian cattle without slaughter at the port was to bring back pleuro-pneumonia disease, you think that that result, and the fact that all the money spent by Government had been thrown away, was a less evil than keeping the Canadian cattle out?—I think so.

Judicial rents.

26,447. (*Chairman.*) Is there any demand in your district on the part of the tenants for judicial rents?—None.

26,448. Has the matter been discussed among the tenant farmers?—We have very few meetings in Forfarshire, but I know the opinion of a great many, and I meet a great many of them every day. I never heard it expressed; there is no wish for anything of the sort in our country, as far as ever I am aware.

Leases.

26,449. Is your lease for 19 years the general rule?—They used to be the universal rule; now they are 19 years with a mutual break at 7 and 14 years, that is the way they put them. It is virtually a lease for 7 years, but they are always put in the old way, 19 years.

26,450. Seven or 14 years; does that bind the landlord for the full 19 years?—It binds them both only for the seven years. Either of them can give notice at the end of seven years, but if he does not do so at the first seven years he has to wait another seven.

26,451. You have not observed any demand on the part of other tenants for judicial rents?—Certainly not.

The witness withdrew.

PROFESSOR HERBERT SOMERTON FOXWELL recalled and further examined.

(For previous evidence *see* page 331.)

Prof. H. S. Foxwell.

Effect of a change in the rates on the gold prices of commodities.

26,452. (*Mr. Giffen.*) You have answered the question which I put to you in the paper which you have given at much greater length than I anticipated, and I think you have given information upon points which were not in my question (*see* Question 24,357) but I gather, as regards the point which I put to you, you are of opinion that the value of gold measured by commodities will fall after this change in the ratio?—Yes.

26,453. That the value of silver measured by commodities will either not increase or will increase very slightly?—Will increase slightly.

26,454. And that the change then is to be in gold?—I think mainly.

26,455. The effect of that will be practically that you contemplate a fall in the value of gold not only measured by silver but measured by commodities amounting to, perhaps, 40 per cent.?—I beg your pardon—a fall in gold of 40 per cent.

26,456. That is what you contemplate after this change?—No.

26,457. How much then?—It would depend on the point at which the ratio was fixed.

26,458. But you are proposing the ratio of 20 to 1?—Yes.

26,459. Would that not be the effect if you have a ratio like 20 to one, and the present ratio is 33 to 1?—I do not think so. I should expect a comparatively small rise; a gradual rise of general prices.

26,460. Is that answer not a little different from what you have been saying here?—I think not.

26,261. But how much?—40 per cent. would be a catastrophic rise.

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26,462. You do not propose, I see, an immediate change to 20 to 1?—No, a gradual change.

26,463. But when the whole change is made that would be the effect necessarily—it is a mere question of calculation?—What would be the effect?

26,464. That the value of gold, measured by commodities would fall to the same extent as the value of gold measured by silver, that is to say, about 40 per cent. or 40 to 50 per cent.?—I do not admit that—no, certainly not.

26,465. How much would it be then?—It is almost impossible to say how much it would be because it would depend upon the total increase of the supply of money.

26,466. But if silver, which is to be one of the kinds of money after the change, is not to increase its value, then gold must fall in value?—Yes, I think I see your point.

26,467. It is a mere matter of arithmetic?—You must draw a distinction, I think, between the value of silver in Europe and the Indian silver valuation. I was speaking of the Indian silver valuation remaining comparatively stationary. There would, no doubt, be an alteration in the purchasing power of silver in London.

26,468. In what way?—The ounce of silver would have a higher gold value.

26,469. In what form and to what extent?—I cannot give you the exact quantitative measure. It is impossible to give the quantitative measure.

26,470. Then is the value of silver in London going to change in a different way from the value of silver measured in Calcutta?—The value of silver in London will alter very much more than the general scale of silver prices in India.

26,471. You will have one change of prices on this side of the world?—Yes.

26,472. And another change of prices on the other side of the world?—I have explained that as far as the commodities that were in active exchange between the two countries were concerned you could only have one scale of prices, but you might have a different scale of prices as regards ryots' wages, for example, and as regards house rent in India, and many matters of that kind, which, of course, might vary just as they vary between Switzerland and England.

26,473. Then the impression that I formed from the paper that silver would not change in value in London is not a correct one?—If you have formed that impression I should say that it is not a correct one.

26,474. Then, in point of fact, you affirm now that silver is going to rise in value in London?—Silver would rise in value in proportion to the rise of the ratio, subject to this, that gold would have fallen to some extent.

26,475. But which is it to be?—I have tried to explain that both effects would take place. I do not think anyone can possibly say to what extent. I would rather put it this way. However far the gold valuation would move, and however far the silver valuation would move, there would be an approximation between them. My own impression is that the gold valuation would move rather more and the silver valuation rather less, but I cannot say to what points they would move.

26,476. Let us take it that the gold valuation moves not perhaps 40 per cent. but 25 per cent., or 30 per cent. I wish to have some idea of the degree in which gold and silver have to change relatively to commodities when they change relatively to each other?—In London?

26,477. In London necessarily?—I should think it very probable that general prices might rise 10 per cent.—possibly even more, possibly 15 per cent.—by the time we arrive at the ultimate fixed ratio starting from the present very low point.

26,478. Then that would mean that silver relatively to commodities would rise a great deal in London?—I have not calculated out the exact effect.

26,479. But that was the one question that I put to you?—Pardon me, I think not—was it?

26,480. That was the question which I put to you?—You put a very complicated question which involved twenty points.

26,481. It seems to me the simplest question of all, and a mere question of arithmetic, and I wish to put it as such, that if the value of gold and silver relatively to each other change, then there must be a corresponding change in one or the other with reference to commodities. If you take the ratio of 33 to 1, and the movement is to be to 20 to 1, it would be an increase of more than 50 per cent. in the gold value of silver?—You say that would be the increase per cent?

26,482-3. That is the difference between the two ratios; it is about 50 per cent., and the question is, how much of that movement would be in silver. Would that movement with reference to commodities take place in silver or would it take place in gold?—I should think 15 per cent. of it might take place in general prices and the remainder in silver.

26,484. So that silver would go up about 35 per cent.?—Yes.

26,485. In London?—In London.

26,486. That would be the sort of market price of silver throughout the world generally; and it would have more command over commodities in the London market, which is the central market?—Over the wholesale markets, yes.

26,487. Would that stimulate the production of silver?—I have said that it would stimulate the production of silver.

26,488. Would not an increase of its purchasing power by something like 35 per cent. stimulate the production enormously?—Not necessarily.

26,489. Can you name any other commodity in which a rise in its value like that would not probably increase its purchasing power?—I think it would be simpler to stick to the instance of silver, because we have the case from 1809 to 1830, in which the value of silver increased a great deal more than that, more than 100 per cent., and yet the production, if I remember right, rather fell off over that period.

26,490. That is in certain given circumstances an increase in the value of silver did not lead to an increase of production?—That is so.

26,491. But that would not alter the general fact, that the tendency of an increase in the purchasing power of an article would be to bring about a larger production?—I have admitted that.

26,492. You would admit that?—I have admitted that in this paper.

26,493. Then that increase of the production of silver again might bring about its fall later on, might it not, and that would be a great disturbance of the silver market again?—I have also pointed out, I think, that if the production of either or both of the precious metals were to increase, there would be a rise in general prices and therefore a fall in the value of the metals, and therefore to that extent there would be a tendency to check the increased production of the metal.

Effect of a diminution of the purchasing power of gold.

26,494. Assume, hypothetically, for the moment that the change is not in silver but in gold, that is to say that the whole change is in gold and that the purchasing power of gold diminishes by about 40 per cent. or something like that?—Yes.

26,495. Do you think that the production of gold would remain the same after such an enormous diminution in its purchasing power?—I should think it would tend to fall off undoubtedly on general considerations; but, again, it is extremely doubtful on the grounds I have stated.

26,496. Then the consumption of it in the arts and for all purposes would probably tend to increase?—Yes, it would tend to increase.

26,497. So that it would be a very great change altogether that would be made?—Yes, it would be a considerable change.

26,498. What would be the change in reference to the wages of labour?—The first effect on the wages of labour would be a distinct increase on the ground of the revival of trade, the increased prosperity; the increased demand for labour would undoubtedly bring about a great rise in nominal wages.

26,499. Unless wages went up 40 per cent. the labourer would be worse off after the rise of prices than he is now?—But you are assuming a position which I have not granted, namely, that the whole change would be in gold.

26,500. I am speaking hypothetically at present, and assuming the change to be in gold?—Yes; if you assume the change to be in gold.

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26,501. But you do not think the change will be in gold?—No.

26,502. Do you think the change is going to be in silver more?—No, I think it will be divided between the two, and I do not think you have a right to assume anything else.

Effect of a change in the rates on the gold and silver prices of commodities.

26,503. If you divide the 40 per cent. between the two, you will get a change of 25 to 30 per cent. in the one, which is a very great change?—But you have been assuming throughout this argument that the percentage of change in the level of prices would be exactly the same as the percentage of change in the ratio.

26,504. The change must be in one or the other when you put things together which are at a certain value now; if you put them together at a different value, then one or the other must change with reference to commodities?—The total change would be proportioned to the total value of the metals after the alteration in the ratio. Now you increase the valuation of silver by 50 per cent. say; that applies, of course, only to the silver which is used as a commodity, and not to the silver circulating now at its full value, at the 15½ to 1. But you do not increase the value of the gold at all, you rather diminish the value of the gold. Therefore, on the average the total change in prices would be nothing like so great as you are assuming. You see a large part of the silver now existing is rated at 15½ to 1. As regards that mass of silver we do not increase its value in the least by raising the ratio to 20 to 1; on the contrary, if the old valuation of 15½ to 1 were abandoned, and this silver were written down to what would then be the international ratio of 20 to 1 you would, to a certain extent, diminish the value of that stock of silver, and to that extent you would tend to bring down general prices.

26,505. You cannot carry it any further?—Yes, if you like; in what direction?

26,506. I do not know that I quite follow you myself now?—I will put it in this way to make it simpler; the level of general prices will depend upon the stocks of metal upon which that valuation rests. The stock of gold would probably be rather less after the change, for the reasons that you have mentioned, namely, that the production of gold would be slightly checked by the rise in prices, and the fall in the value of the metal. As regards the stock of silver no doubt we should write up a good deal of it. That part of the stock of silver which is at present merely merchandise at a market value would be written up from 33 to 1 to 20 to 1; but that part of the stock of silver which is actually in circulation at anything like the value of 15½ to 1 or 16 to 1, would be written down, absolutely written down, by our change. So that upon the whole we should not write up the whole stock of the precious metals to the extent of 30, 40, or 50 per cent.; I should think probably not to the extent of 25 per cent., or 20 per cent.

26,506*a*. But still, the commodity silver would have greater purchasing power than what it has now?—Yes; silver in the market.

26,507. And the commodity gold would have less purchasing power than it has now?—Yes, it would have less purchasing power.

26,508. But you cannot give us any distinct idea of what the degree of change would be?—No.

26,509. Nothing more than what you have told us?—I am only protesting against the assumption that the degree of change would necessarily be measured by the degree of alteration in the ratio between the metals.

26,510. It must be, as a matter of arithmetic?—I do not see that.

26,511. You cannot carry it any further?—No. I should deny distinctly that it must be as a matter of arithmetic. According to me the valuation rests simply upon the proportion between the quantity of metals and the quantity of commodities.

26,512. Silver and gold have a certain ratio to each other now?—Yes.

26,513. And they have a certain ratio to other commodities?—Yes.

26,514. If you change the ratio as between themselves, then the ratio between the gold and silver and other commodities must also change in the same proportion, one or the other?—Yes, but not necessarily the valuations.

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26,515. I do not quite know what you mean; it must take the form of a change in the prices somewhere?—Yes, but the scale of prices in France, for instance, is resting very largely upon silver at the old valuation of 15½ to 1; silver in the market as a commodity will rise, but not necessarily silver prices in countries where the prices are not based upon the value of silver in the market, but upon the value (if you like to call it so, the artificial value) of gold to silver

26,516. Gold prices must fall then?—Gold prices, I have said, would rise.

26,517. Gold prices would rise, but the gold valuation would fall?—The gold valuation would fall to some extent, and the silver valuation would rise to some extent, but not necessarily to the full extent represented by the difference of ratio.

26,518. Take it that the value of gold is to be brought down 20 per cent., which you think is a probable thing—about 15 per cent., or 20 per cent. I think, with the figures that you gave—take it that that is going to happen?—I included in that the effects of the general speculative activity which would follow.

The intention of bimetallism.

26,519. Take it that that is going to happen in this country; you propose by legislation to give to every man who is entitled to receive an ounce of gold equal to so many ounces of silver—you propose to give him in payment of his debt less than what he has got now, that is the intention?—I am very much interested in hearing that suggestion made, because the contention of bimetallists has been all along that it is not enough to guarantee to a man that he shall receive his ounce of gold, but that what we ought to guarantee to him is stability of value in gold, as far as you can, so that he shall receive the same amount of commodities. But then, we have been told that that is not the case. During the last 20 years his ounce of gold, that is, the ounce of gold which the debtor has to pay, has increased in value 50 per cent., and we have been told that that is a thing which, as a matter of course, must be accepted. Now, you rather suggest that the value of the ounce of gold is not to alter, but is to be kept stable.

26,520. I am not suggesting anything of that sort at all. I am suggesting that you are going to do a thing by legislation, but what has happened of late years has not happened certainly through any legislation in this country, the Government has not meddled with the matter at all?—Looking at the matter historically and as calmly and deliberately as I can, I should be inclined to say that no country was really in so great a degree answerable for the change in the policy of Europe which led to the demonetisation of silver as this country.

26,521. Still, that is a very different thing indeed, from the Government of this country making a change within its own power which it has not done yet?—I quoted only the other day the Treasury letter to the Government of the Emperor, in which our Government refused to enter into any negotiations with the French Government on the question of uniformity of coinage until the French Government had adopted monometallism. That was very strong.

26,522. That was not a change which the Government made in its legislation here in any shape or form?—No, but it is admitted, I think, on all hands, that any change in legislation anywhere must affect the valuations of the world; the thing is necessarily international. If you demonetise silver anywhere you affect prices everywhere.

26,523. No doubt these things are international, but what the Government is responsible for is its own legislation surely. Has there been any change in the legislation of the United Kingdom with reference to the standard?—Not that I am aware of.

26,524. What you propose now is a change in the legislation of the United Kingdom which is to diminish the amount of gold which people are entitled to receive, or rather the amount of the debt which the people are entitled to receive, and you propose to do that by legislation—to diminish the value of the standard, that is really your object?—I should not like to have it put in that way. What I propose to do is to prevent a modification of the standard which has been going on for 20 years from further continuing and to some extent to make a small act of restitution to those who have been injured by that modification of the standard.

26,525. The immediate effect, then, is to change the value of the standard by your own legislation?—Yes,

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but I wish to say that I make no difference—I can draw no distinction—between a change in the standard which is brought about by the *laches* of the Government through abstention—apathy if you like—and one which is brought about by their active interference. In both cases the change is within their power.

Effect of a difference between the mint rates and the market rates.

26,526. Suppose as a matter of fact that the legislation to bring about this ratio is established, and as you say that the people who are entitled to an ounce of gold now, which gives them 33 ounces of silver, are in future to receive at the option of the debtor 20 ounces of silver, but the real ratio between gold and silver—the market ratio—remains as 1 in 33; that would be a most inequitable thing, would it not?—I did not follow that question quite; you make a change and yet the market ratio remains the same do you say?

26,527. I am assuming that although legislation fixed the ratio of 20 to 1, the market ratio—assume this for hypothesis sake—continues to be 33 to 1, which I believe myself to be quite likely; then of course that would be a most unjust thing to the creditor?—I could not admit that. In the first place you are assuming that the absolute standard of value is silver, and that if a man does not get the same amount of silver he is in some way defrauded; that seems to me a very great assumption to begin with.

26,528. At present the absolute standard is gold?—Yes.

26,529. A man receiving a debt receives an ounce of gold which commands 33 ounces of silver?—Yes.

26,530. You pass a law to say that the debtor at his option may give him for that debt not 33 ounces of silver but 20?—Yes.

26,531. Then I put the further question: Suppose the market ratio continues to be 33 to 1, and does not become 20 to 1, then you are making a great reduction from the sum of money which that creditor is entitled to receive?—No doubt in that case if you suppose that there will be a difference between the Mint ratio and the market ratio.

26,532. That would be pure confiscation, you will admit, if that should happen?—Even if that should happen there will be the further question whether the silver had not altered in its real value, because I do not admit that silver is to be the ultimate standard by which you measure the value of the standard money.

26,533. Assuming that silver does not change?—That it represents the same amount of commodities in fact?

26,534. I would hardly put it that way; but assume it your own way, or any way you please?—I should say that the proper measure of the standard is its purchasing power in commodities. I should not think of measuring it in silver; the real test is the commodities.

26,535. Unless silver should have risen in value to the extent to which silver has not risen in value, the debt which the creditor is entitled to claim would be diminished by your legislation?—Certainly.

26,536. That would amount to confiscation?—But of course our position all through has been that silver would rise in value.

26,537. To whatever extent the things do not change as you anticipate they will—suppose that your anticipations, like many others in economic matters, should not be confirmed by the event—to whatever extent your anticipations are not confirmed by the event, what you propose is confiscation?—I should rather put it in this way, that if we do not succeed in establishing our system these consequences which you mention would follow.

26,538. Then if you pass the law and the market does not follow you these consequences would follow?—Yes.

26,539. And if any large number of people are apprehensive that the market would not follow you, and they were to act upon that conviction, when you passed your law they would probably elect to go for their payment in the standard as it actually existed, and so bring about the panic which I have described before?—No. I have been unable to follow that argument altogether. I can see no reason why they should. It is contrary to precedent, and to the experience we have of the past, and it appears to me not to be explicable by any *a priori* suggestions which have been made.

26,540. Is it not the case that whenever you propose to give a man less than he is entitled to, or when he thinks that if he waits he will not get payment for his debt, he presses for payment at once; is that not the universal experience of mankind?—No, I think not. I will give you an example: The thing has occurred a hundred times in history. We have a turn in trade, for example, and people say prices are going to rise for the next five years, everyone believes that; it has been believed again and again—and the event has justified the belief—but there has been no panic, there has been no rush to obtain money, because the money cannot be better used in other ways, and there has been no withdrawal of money from the banks.

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26,541. Is that quite the same thing?—I think so; it is a diminution in the purchasing power of gold in that case exactly as it would be in this case.

26,542. But still is not an immediate diminution going to be affected at a particular date by a special change in the law?—Nor do I for a moment believe this would be. We should take the greatest possible precaution, and every precaution to prevent any immediate change.

26,543. You speak of a gradual transition?—Yes.

Transition from monometallism to bimetallism.

26,544. Can you describe what the steps would be?—Yes.

26,544*a*. And over what length of period the transition would exist?—There are many present who could give a better estimate than I could as to about the time that would be required to bring about an international conference upon a business-like basis; but I should put that in itself at something like two years. Probably two years would elapse before a conference met, the members of which would be empowered to do business seriously in this direction.

26,545. So that before anything could be done for depressed agriculture we should have to wait two years according to your idea?—No, because as these negociations were going on, and as every day it became more and more probable that such a conference would be summoned, the price of silver would gradually rise unquestionably, as it rose in anticipation of the Sherman Act before the passing of that Act.

26,546. The price of silver did rise in anticipation of the Sherman Act?—Yes.

26,547. But that was an Act for the purchase of silver?—Yes.

26,548. And not for bimetallism?—This would be an Act for the unlimited purchase of silver by all the mints of Europe; the Sherman Act was an Act for the limited purchase of silver by one mint.

Operations of the mint.

26,549. That brings you back to the old opinion?—Yes, I must rely on that.

26,550. That the mints buy, which is a matter of dispute?—Yes.

26,551. You still adhere to the opinion, then, that what happens at the Mint is that the Mint buys the metal?—I do.

26,552. And gives something else in exchange for it; that is the essence of what they do?—I think I put it in these words—what the Mint does is to give you legal tender in exchange for bullion, and that legal tender is essentially different to bullion.

26,553. I suppose you would admit that that is not the sort of definition of what happens at the Mint, which you will find in Adam Smith and other great authorities?—No, I do not admit that; but I do not remember Adam Smith defining this.

26,554. What happens at the Mint is undoubtedly, is it not, that the Mint puts a stamp upon the metal to certify its weight and fineness?—Yes.

26,555. And according to Adam Smith, and other great authorities like him, that is really all that the Mint does in substance, is that not so?—No.

Law of legal tender.

26,556. What else does it do?—A very different thing, certainly. It puts that particular metal,—that particular commodity,—under the law of legal tender.

26,557. But is the law of legal tender anything more than an enactment by the Government that whoever makes a contract is to fulfil it?—Yes. I said in my evidence on the last occasion, I think, that what you are now quoting would come under the Common Law of England. Every man who makes a contract under the Common Law is bound to keep that contract, but the law of legal tender is a very different thing; it is a

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statement that any contracts made in terms of money and not otherwise limited, shall be payable in money of a certain kind prescribed by the Act of legal tender.

26,558. That is to say, it is a particular kind of the law of specific performance, if I may use that phrase in the presence of Mr. Elton?—Yes.

26,559. Is it anything more than that?—I cannot say exactly what the relative position of Statute Law and Common Law is. I should not like to say.

26,560. Is it really anything more than an enactment that a contract when made shall be fulfilled?—Yes, it appears to me to be very much more than that, because it is for the Government from time to time to say in what way the contract shall be fulfilled.

26,561. Then, I suppose, you do not agree with Sir Robert Peel's famous definition of a pound?—I agree generally with what he meant there.

26,562. Sir Robert defined the pound sterling of English money to be so many grains of gold, did he not?—Yes. But do you imagine, then, that in so defining the pound sterling he was excluding the use of Bank of England notes as legal tender money; because at that very time, when he was speaking, the whole object of his speech was the regulation of the issue of these legal tender notes.

26,563. Yes, but it is quite possible that the legal tender note might be convenient for certain purposes, and yet all that you do with reference to the metal, when you stamp it is to put a certain stamp upon it, all that you do in substance, that is?—No; by placing that stamp upon it you assert that it shall be a quittance for debt contracted in terms of the money of the realm, and by that very Act which Sir Robert Peel was then discussing—the Act of 1844—it was enacted that the Bank should purchase bullion in exchange for those legal tender notes; that very Act provided it.

26,564. Is there any real difference made by calling it the money of the realm?—Yes.

26,565. The gold, when the stamp is put upon it, remains a commodity as it was before, and this exchange value is regulated like any other commodity; is that your opinion?—Not altogether, because that very fact of putting the stamp upon it at once causes a very large demand, and the principal demand, for it.

26,566. Is that the opinion upon which the English monetary policy has been based?—No, certainly not; pardon me for putting the thing so bluntly; I mean to say that it cannot possibly be denied that by making a metal legal tender you cause a demand for it, and if so you alter its value.

26,567. By building line of battle ships you cause a demand for iron?—Yes.

26,568. But you do not fix the value of iron in that way?—You certainly affect it.

26,569. I do not deny that by making it possible to use money in a certain way you affect the value?—That is all I wish to say.

26,570. But that is a totally different question from fixing the ratio?—You cannot fix the ratio between different kinds of gold in that sense, except perhaps that coins may be a little more valuable than the bullion they contain.

Operations of the mint.

26,571. By coining at the Mint the State facilitates the employment of a metal in a particular way; that is about all?—I do not object to that way of putting it.

26,572. It is a better facility?—It is a facility of the greatest possible importance as affecting the value of the metal.

26,573. As a matter of fact at this moment a large part of the bullion upon which our monetary transactions rest is not in the form of English coin at all?—That is so.

26,574. It is merely in the form of foreign coin, or bar gold, or something of that kind?—Quite so.

26,575. And is quite as effective in that form as if it had been coined?—Yes.

26,576. So that the coining at the Mint is not so very material?—No; but that is my argument all through; it is the purchase by the Bank that is the material thing—the purchase of gold in exchange for notes, which notes are legal tender money of the realm.

Purchases of bullion by the Bank of England.

26,577. The Bank buys gold and issues notes, so called, which are merely transferred to another part of the Banking Department, and they are not in circulation at all?—Not in circulation?

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26,578. The circulation of the Bank of England has not changed within the last few months, notwithstanding the enormous increase in the bullion in the Bank of England?—It may not at a particular time, but, of course, they are potentially part of the circulation.

26,579. What is meant by the purchase, except that so much money is deposited in the Bank?—What is meant by the purchase I take it is this: that unlimited quantities of the precious metals can be converted into the shape of money under the 4th clause of the Bank Act of 1844; unlimited quantities of gold can be turned into legal tender by simply presenting them at the Bank.

26,580. But, as a matter of fact, nothing happens apparently beyond that; you take the gold to the Bank of England, and you are credited with a deposit of so much money?—Yes.

26,581. And that is all there is?—Against which deposit you can draw for whatever purposes you require to draw.

26,582. But where does the legal tender come in?—The legal tender comes in surely in the fact that you are able to obtain the means of making a purchase or of acquitting a debt. You have the power of drawing, through your account at the bank, that which will acquit a debt or purchase commodities.

26,583. Whether it is called legal tender or not, you can make the purchase if you have got the article?—If you have got the article of silver, for instance, you cannot make a purchase in this country.

26,584. You can sell it for the standard commodity, and make the purchase; it is only a very short step?—You cannot sell it at a fixed price. There is no fixed relation between a quantity of silver and a debt.

26,585. You do not sell the gold at a fixed price?—There is a fixed relation between a given debt of money and a quantity of gold. An ounce of gold will always discharge a debt of money to the value of 3*l.* 17*s.* 10½*d.*

26,586. Because that is the contract?—That is the contract, and under bimetallism the contract would equally be that 20 ounces of silver would in the same way discharge the debt.

26,587. You do not admit that these views which you have expressed are a little different from the whole style of thinking and legislation on the subject 30 or 40 years ago?—No; on the contrary, I trace these views really to Ricardo's *Proposals for an Economic and Secure Currency*. It appears to me that the history of the purchase by the Bank, to put the thing roughly, is this: Ricardo set forth his views as to an ideal currency; he thought that such a currency should be based upon gold or silver bars purchased by the Bank at a fixed price, and not upon coins—it should not consist of coined gold or silver; later, when we undertook to resume payments upon a cash basis, the value of the gold in paper was at that time considerably above its mint price, and the question was how we should return to the Mint price of 3*l.* 17*s.* 10½*d.*; it was then ordered under the Act of 1819 that we should return by the system of Bank purchase; that the Bank should purchase gold at varying rates, varying from about 4*l.* 1*s.*, if I remember rightly, down to and ending with 3*l.* 17*s.* 10½*d.* It seems to me that that was what probably introduced this idea into our legislation of the purchase by the Bank of gold; I should be inclined to trace it back to Ricardo. Then I find that in a Committee sitting upon the Mint in 1837, Mr. Haggard, who was then at the head of the Bullion Department of the Bank of England, gave evidence that the Bank had been in the habit of buying gold in this way, after the resumption, apparently not under any statute, at the rate of 3*l.* 17*s.* 6*d.*, and that since the year 1828 the price had been raised to 3*l.* 17*s.* 9*d.* That appeared to be the rate at which the Bank was then, in 1837, habitually buying gold, and I presume that Sir Robert Peel, in the Act of 1844, merely accepted the fact, and made it a statutory obligation on the part of the Bank to continue buying at that rate at which it had been buying.

26,588. But still it is only a question of convenience?—It is a very important question, I think, keeping in view the increasing tendency not to use coin, and the preference for paper in all its forms.

26,589. But still it is only a question of convenience; and the value of gold in relation to other things surely

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continues to be determined as that of any other commodity is?—Yes, no doubt it is affected by the ordinary market causes, only that these monetary demands become the most important of the market influences affecting its value.

26,590. Not in quantity, does it?—Perhaps not in quantity, if you mean by that that of the annual production, the largest portion does not go to currency purposes.

26,591. That is what I mean?—But if you take the stocks existing I think it might be doubtful.

26,592. You admit that the largest proportion of the production probably does not go for that use at all?—I think probably not, certainly not.

26,593. Still you do not admit that to any extent your views are different from the views of the great authorities who laid down that a sovereign was merely so many grains of gold, and that all the Government did was to put a stamp on it to show its weight and fineness, the doctrine, I think, which is laid down by Adam Smith and Ricardo and other authorities continuously for generations?—I do not admit that the question was raised very distinctly before them. I certainly could not admit for a moment that Ricardo would take that view, because it was he who was the author of this purchase plan.

Demand for money.

26,594. But Ricardo takes the view that gold was a commodity, and had its value like other commodities?—Subject, of course, always to this, that it has a very special monetary demand, which is of an unlimited character.

26,595. Not of an unlimited character?—I think so.

26,596. What do you mean by unlimited?—I cannot conceive a case in which money would be refused, and therefore the demand for money is practically unlimited.

26,597. But it is surely limited by the capacities and tastes and customs of the people who take it and who pay it away?—There I think we differ rather. I should like to bring out the point of difference. You said on a previous occasion that a country could only take a limited amount of gold, but surely the quantity of gold a country takes depends upon the height of prices; if prices are very low they only want a certain quantity of gold, but if prices are high they would take a larger quantity of gold.

26,598. It depends upon many considerations, of which that may or may not be one of importance?—I should have thought it was a vital consideration.

26,599. It may or may not be of importance. Suppose the rise of prices takes place at the time very great economies in the handling of money are being effected, a particular nation might not add to its quantity of the precious metals at all?—Do I understand you to suggest that gold would be refused by any nation, that the tender of money would be refused?

26,600. I am merely speaking of the common practice that money is like a machine which goes round, it circulates; what one man gets he pays away, and the ultimate effect is that a community only uses a certain quantity for the purposes of currency?—Yes.

26,601. There is nothing in the nature of an unlimited demand. I wish to know in what sense you use the word unlimited?—In this sense, that if a continent of gold were discovered to-morrow there would be a demand for it instantly. Under the system of free mintage the whole of it might be turned into money, unquestionably the greater part would be turned into money. Of course, the demand for the Arts would not increase to the same extent as this sudden supply, and, therefore, miners having this gold to dispose of would inevitably take it to the national mints of the world. They would turn it into money; the money would purchase commodities and go into circulation, and so prices would rise.

26,602. Would the money go into circulation beyond what the people take of it; they would try to use it in other ways and to get quit of it, as they do all other kinds of money?—I do not understand that suggestion. It seems to me that people are always ready to take money in exchange for goods.

26,603. That is the sense in which you are using the word unlimited; you admit that the quantity of precious metals which a community uses depends, to a large extent, upon its habits and customs?—Relatively, one nation may use less gold than another, but still, if there is a general and considerable increased quantity of gold at any time, all nations will increase their consumption of gold, though some may take less than others, on account of the economies to which you have referred.

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26,604. The consumption might increase in the form of greater use in the arts, or of hoarding?—It might.

26,605. And not in the form of the direct circulation of money?—I do not know that it would increase in the shape of hoarding in Europe at all.

26,606. Still in India it might be so?—Yes.

Effects of bimetallism on the demand for gold and silver money.

26,607. Have you made any calculation as to the reduction in the quantity of gold now in monetary use which would follow on the change you propose, and the increase in the quantity of silver in monetary use that would take place?—No, I do not see very well what grounds you would have for such a calculation.

26,608. You assume that the quantity of money in use is going to increase a good deal?—Yes.

26,609. But if it should happen that the gold which goes out of use is replaced by silver, and that no more silver than that comes into use, I do not see where the increase in the quantity of money comes. Have you made any calculation?—I think we have been arguing that there would have been an increase in the production of silver.

26,610. Have you made any calculation?—The thing is not susceptible of arithmetical calculation, surely.

26,611. Still these are subjects on which you are capable of forming some sort of estimate as to what will happen?—A rough estimate. I doubt whether it would be possible. This would be a preliminary consideration:—What would be the extent of the increase in the production of silver?

26,612. How much more silver would you use if the change was made?—Do you mean as coin? Probably none; my own view is that there would be probably no more silver coin used.

26,613. Then what would there be in the form of reserves?—That would be unlimited. It would just depend upon the amount of silver bars brought to this Mint to be sold, or to the French mint, or some other equally available national mint.

26,614. I must again ask in what sense "unlimited." It must be owned by somebody, and nobody is going to keep money without some idea what he will use it for?—It will be used in the purchase of goods, and prices would rise.

26,615. The moment he purchases goods that particular person ceases to be the owner of it?—Yes.

26,616. The person who sells the goods immediately buys something else probably too?—Yes.

26,617. Consequently there would be no increase of stock anywhere unless somebody held the stock?—I do not quite understand what you mean. Let us take the Australian discoveries; we know that there was an enormous increase in the stock of money at that time.

26,618. At the present moment there are 40 millions of gold in the Bank of England?—Yes.

26,619. Which belongs to somebody in some form or other?—Yes.

26,620. People are content instead of using the money to let it lie in that form?—Yes.

26,620*a*. But the fact that it is lying in that form is a proof that some people are content to make that use of it, but that is a matter of choice on their part?—Do you suggest that that money is idle?

26,621. I make no such suggestion about it, I suggest that it lies there on account of the will of A, B, C, and D about it?—According to my view, that money is in circulation very largely. It is either issue reserve, in which case it is circulating in the shape of bank notes; or it is banking reserve, in which case it must be held to meet the enormous mass of English banking liabilities which rest upon it.

26,622. In any case it is a much larger sum than usual, and it is held because A, B, C, and D, wish to have it there?—Yes.

26,623. That is quite evident as a matter of fact?—Yes.

Views of economists on bimetallism.

26,624. I should like to ask you now with reference to the suggestion which, I think, you made in reply to

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one question, that most economists of the present day are of your opinion, would that be true of economists in France?—It was on the question of theory, was it not?

26,625. Yes?—I should like to say that I was referring simply to the theory of bimetallism. I do not for a moment claim that all economists are in favour of the introduction of bimetallism. They are rather in the position the Royal Commission was in—they admit the theory.

26,626. You do not say that of the French economists, do you?—I do not think it is true of the majority of the official economists, those who are at present occupying the chairs.

26,627. With regard to the United States?—Of course the most distinguished economist there, General Walker, is the leader of the bimetallic party.

26,628. You have heard of such names as Taussig?—Yes, Mr. Taussig certainly admits the theory.

26,629. Mr. David Wells?—David Wells dates from a previous generation.

26,630. And Mr. Atkinson?—I do not regard Mr. Atkinson as an economist at all.

26,631. Mr. Atkinson is very well known on this side of the world?—It has been remarked to me again and again by American professors that they have been astonished at the importance which is attached to the economic opinions of Mr. Atkinson on this side. He has made the most astonishing blunders on points of economic theory.

26,632. (*Chairman.*) Do you mean that you disagree with him, or that he denies the theory?—I mean that he has made most astonishing blunders in regard to ordinary and accepted matters of economic science.

26,633. (*Mr. Giffen.*) Then there is Mr. Laughlin?—Mr. Laughlin, I admit, is against us.

26,634. So that there is a very appreciable body of opinion against you in the United States?—I do not know that Mr. Laughlin is against the theory of substitution, which was the point I was particularly speaking to at the time. A man may be a monometallist and yet accept this theory. Thus the theory of substitution was accepted by the late Lord Bramwell, who was not a bimetallist, and by Mr. Leonard Courtney, at a time when he also was not a bimetallist.

26,635. Then in Austria, you are aware that at the recent inquiries which were made there were very few bimetallists who responded to the Austrian Government, I think only two out of about 38?—If we want to go into the opinion of German economists——

26,636. This is Austrian I am on?—Yes, I have a paper kindly prepared for me by Dr. Gyula Beck of Buda-Pesth, in which he has taken the trouble to make a list of all the economists of Central Europe, who have written on the monetary question. He has been going on a monetary tour of late, and he has given me their opinions. A large majority are in favour of bimetallism, positively in favour of the adoption of it, not merely in favour of the theory.

26,637. This is a case where you must not really count names, but where one wishes to know what is the sort of general balance of opinion rather?—It is always subject to this: it is rather a delicate thing to say, but it is, I think, pretty well known that some of the economists abroad are in a semi-official position, and that when they are placed upon monetary commissions they are sometimes placed there with very definite instructions as to the intentions and wishes of their respective Governments.

26,638. The opinion of Austria, which was the latest country that has changed its standard, is in favour of a single standard?—Undoubtedly, but the question before them was: "We have Europe in the main upon "a gold standard. We have the influence of England "and other countries, perhaps, against any change. "That being the case, what we have to consider is "whether we should remain upon a bimetallic standard, "or whether we should assimilate our currency to the "currency of other countries."

26,639. I suppose that down to a very recent date you would admit that opinion was preponderatingly in favour of the mono-metallic view?—Yes.

26,640. And also in favour of the view that governments could not fix the ratio?—I do not think that point had really been very seriously considered in this country. I do not remember to have seen any serious argument against the possibility of fixing the ratio; there is the well-known argument of Mill, that is rather a trumpery one.

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26,641. Mill is a very high authority?—Not specially upon money, I think.

26,642. Mill and Fawcett, and Mr. Bagehot?—Mr. Bagehot would be a higher authority upon that point.

26,643. Up to a very recent date the opinion was so unanimous against bimetallism that Mr. Hendriks at that Monetary Commission in Paris in 1870, to which you have referred, affirmed absolutely that the bimetallist opinion was totally insignificant in England, and not worth considering?—That would be the case in 1869, undoubtedly.

26,644. It was true at that time?—Yes, undoubtedly; but I ought to say this: it was not as if the question had been discussed, and that opinion had been arrived at after discussion; the question had never been raised, but there was a general presumption in favour of the established system.

26,645. Have you read Mr. Hendriks' evidence before that Commission?—It is very long. I have read some of it, but not all.

26,646. Can you say in view of that that the question had never been raised?—Not in England generally. You see no trace of it in any of the treatises on political economy.

26,647. To a certain extent it had been raised, and I believe Mr. Hendriks was a very competent person to discuss the subject?—Yes.

26,648. And was as fully acquainted with the arguments as any man could be?—He was not very fully acquainted with the new arguments of Wolowski. Wolowski's book only appeared after he gave that evidence.

26,649. Wolowski's book?—1870 was the date of his book.

Wolowski's views on bimetallism.

26,650. I think Mr. Hendriks was very well acquainted, personally, with Wolowski, so that that would not make much difference?—It was quite a new thing to Mr. Jevons, for example, who says, in his letter to Wolowski, that it was a new idea to him; and Jevons says, I am bound to say you are right in your theory; but it evidently came upon Jevons as rather a surprise, and as something new.

26,651. Do you consider Wolowski to be the author of the new bimetallism?—Practically, so far as the theory is concerned.

26,652. He has made many converts in England, but not many in France?—I think he has made a great many in France; of course, M. Cernuschi was one of his converts.

26,653. M. Wolowski was not of opinion, I think, to the best of my recollection, that a fixed ratio could be be maintained indefinitely?—In face of any possible changes in the production of the metals?

26,654. I think that M. Wolowski, to the best of my recollection, was of opinion that it might be necessary to change the ratio from time to time?—And so I think it might have been with bi-metallism limited to the Latin Union, and all the rest of the countries mono-metallic.

26,655. He did not express an opinion on this great subject of international bi-metallism?—Surely he was in favour of international bi-metallism.

26,656. But still he had not considered this question of having it international except making them do it nationally; he was in favour of every nation doing it of itself, without an international rule?—What he protested against was the demonetisation of silver, and his main object was to put a stop to that movement, which was then commencing, of the demonetisation of silver. He would have been satisfied with the *status quo*.

26,657. So that bi-metallists who admit of alteration, and who admit that a ratio could not be maintained are not quite in the same category as those who say that the ratio once fixed will be maintained?—But the circumstances are totally different. The new bi-metallists say that if you have an international agreement, the ratio could be permanently maintained within any limits which are necessary.

26,658. Do you say Wolowski was in favour of that opinion?—I think it is absolutely certain that he would

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Inquiry by Gold and Silver Commission.

have been in favour of it. The whole drift of his argument is in that direction. Do you think he would have opposed it?

26,659. (*Chairman.*) Did you give evidence before the Commission on gold and silver?—No.

26,660. I presume you have read the evidence before that Commission?—Yes.

26,661. Am I right in saying that all the questions which you have laid before us during the last two days of your examination were fully gone into before that Commission?—I do not think they were all fully gone into.

26,662. Still they were all gone into, all the questions arising from the monetary changes in Europe?—Yes; those questions were, certainly.

26,663. And the monetary changes in the United States?—Yes.

26,664. And the difficulties arising from the exchange with India?—Yes, but they were not so acute then.

26,665. Were not those particular topics reported upon by the Commission?—Yes.

26,666. And also your recommendations as to bi-metallism—I will not say fully according to your view—but were they not at length entered into by the Royal Commission?—Yes.

26,667. And the Royal Commission was evenly divided on the subject, I think?—Yes.

26,668. (*Mr. Chaplin.*) Is that still the opinion of the members of the Commission?—Perhaps it would be fair that I should say that since that Commission has reported Mr. Leonard Courtney has published an expression of opinion, to the effect that he had seen reason to alter his view and that he would now have signed the Report in favour of bi-metallism.

26,669. (*Chairman.*) With that exception, I presume, we may take it that those members who were against bi-metallism retain the same opinion?—Yes; but even there, I think, if my answer is to be taken, I ought to make the distinction that half of them were against recommending the establishment of bi-metallism, but that they were not against the principles or theory of bi-metallism.

26,670. (*Mr. Chaplin.*) They all agreed that it was practicable?—Yes.

26,671. (*Chairman.*) But they were not able to recommend any specific scheme which was laid before them?—No.

26,672. On the contrary, they advised against any scheme which had been laid before them for carrying out bi-metallism?—Yes.

26,673. Six of the Commission were one way, and six the other?—They advised that some measure should be taken to alleviate the fall of prices; they recommended the issue of 1*l.* notes.

26,674. But they expressed very different opinions to what you have done upon some of the main questions at issue?—Yes, upon some of them.

26,675. They did not consider that the fall of prices was largely due to the appreciation of gold?—Surely.

26,676. I think if you will refer to the Reports, you will find that is the case; I am now speaking of the six who were against bi-metallism; those six were opposed to most of the views that you have represented?—To many of them.

26,677. They did not consider that the fall of prices was due to the appreciation of gold largely?—I do not know what to say about that—Mr. Giffen will understand my perplexity—because the fall of prices is the appreciation of gold, but they were not all agreed, perhaps, that that appreciation of gold was due to a monetary cause.

26,678. Let me call your attention to section 47 in the Report of the six: "We do not think that there is "any conclusive evidence of the substantial appreciation of gold to be derived, either from a review of "the variations in prices, or of the circumstances "relating to the production and use of that metal; at "the same time, we are far from denying that there "may have been and probably has been some appreciation, though we think it absolutely impossible to "determine its extent." Then, with reference to an index table of prices, which I think they call the index, they pointed out that the index was deficient, inasmuch as it did not deal with wages?—Yes, I think that was their opinion.

26,679. Have circumstances very materially altered since the Report of that Commisson?—All the unfavourable circumstances that they had under their notice have been aggravated.

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Relative stability of prices since 1885 and before 1873 compared.

26,680. I should like you to look at the table you put in of Mr. Sauerbeck's, and especially at the last nine years of that table, from 1885 to the present time (*see* Appendix). I would ask you whether, on the whole, there has not been a certain stability of prices according to that table?—Relatively, perhaps, to what happened immediately before.

26,681. I would ask you whether, in the whole range of the period that you give, from 1820 to the present time, there ever was a period of nine years when there was so great stability of prices as during the last nine years?—Yes, I should think the period between 1860 and 1870 was quite as stable, and the period between 1828 and 1834 was, on the whole, a steady period.

26,682. I should say that 1860 to 1870 was hardly so stable as the last nine years; there is a greater range of prices in that period?—The width of the fluctuation, perhaps, is more.

26,683. It went to a higher point during those 10 years, as compared with the average during the last nine years?—The average of the years 1853 to 1877 was wonderfully steady, but the width of the fluctuation was a little more, because there was more speculation and speculative activity.

26,684. Taking the table generally, would you not say that during the period before 1873, when you admit that bi-metallism existed, there was a greater range of variation of prices up and down than there has been during the last nine years?—Yes, the speculative variation was greater, but there was not such a marked alteration in the general level of prices—in the value of the standard.

26,685. The special variations from year to year were greater?—They were greater.

26,686. Were they not more extraordinary and more remarkable even than they have been during the last nine years?—You would expect in a period of depressed trade that you would not have much movement in any direction.

26,687. Does it not rather indicate that prices to some extent have reached their level?—I am afraid I do not see any reason for that.

26,688. I am not prophesying about the future, but during the last nine years has there not, on the whole, been a fair stability of prices?—I should say that what has happened during the last nine years is very much like what happened in 1877; there was a slight recovery of prices, followed by a continuance of the fall.

26,689. In 1877?—From 1877 to 1880 there was a slight lift, and so we had a slight lift from 1887.

26,690. If you look at your diagram, you will see that the line between 1879 and 1880 is totally different to anything which has occurred during the last nine years?—I make it exactly the same; a rise of four widths nearly, two of those divisions in 1879 and 1880, and in the same way a rise of two of those divisions from 1887 to 1889. That is the whole amount of the lift in each case.

26,691. Between 1879 and 1880 was after bi-metallism had been done away with?—It was.

26,692. I am now comparing the last nine years variations with what occurred before 1873 when you say bi-metallism existed?—Yes.

26,693. I ask you whether, on the whole, there has not been greater stability of prices during the last nine years than during almost any period before 1873, taking year by year?—Taking it year by year, the movement of prices has been more steady, undoubtedly, but it has always tended in the same direction, downwards.

26,694. That is another matter, but during the last nine years apparently, according to your own table there has not been much downward tendency; on the contrary, it fell from 1884 to 1886, then it rose from 1887 to 1889 and remained stationary for two years, and then fell again to the point at which it was in 1886?—It is now on 64, four points lower than in 1886.

26,695. Therefore it has not been a continuously downward tendency during the last nine years?—No, not quite continuous.

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26,696. I am taking your own figures, your own tables, which you have quoted with approval?—I have an explanation partly of that rise in the Sherman Act. The purchase of silver under the Sherman Act undoubtedly produced some inflation of prices then.

26,697. Still, whatever it may be due to, there has been a stability of prices during the last nine years on the whole as compared with previous times, and especially as compared with what existed before 1873?—I think we may admit that there has been a certain relative stability.

26,698. I think you stated that one of the main objects of the change is to create greater stability?—Yes.

26,699. Is it not, therefore, very important to determine whether during the last nine years there has been greater or less stability than existed before bi-metallism was done away with?—I have already said if you take periods of nine years you can get stable periods before bi-metallism, but I admit that the speculative fluctuation since bi-metallism ceased has been less than it was before, partly, I think, because prices have been steadily falling and trade has been depressed, and partly because our banking system has been very much improved during the last 25 years.

26,700. But still you admit the fact?—I admit the fact.

26,701. That there have been less variations from year to year, especially during the last nine years, than there were before bi-metallism was done away with?—Yes.

Depreciation of gold prices: its effect on production and labour.

26,702. Now, I understand you to say that the depreciation of the principal articles of consumption and manufacture as measured in gold is about 33 per cent.?—Yes, more at this moment.

26,703. But, of course, one can hardly take the present year; let us take it 1893 as the date which we must go upon; I think the general result of your evidence is that that has had an injurious effect upon the industry and production of the country?—Yes.

26,704. And has made the people poorer than they otherwise would have been?—Than they otherwise would have been.

26,705. And has been especially injurious as regards production?—Yes.

26,706. That is the main point of your argument?—Yes.

26,707. Then, as regards labour, I understand you to say that the labourers would after a time feel the effects of the depreciation of prices injuriously?—Yes.

26,708. That though for a time the money that they might get as their wages would be greater, yet that wages would necessarily fall, and there would be a want of employment, and they would suffer, after an interval of time, more or less?—Yes.

26,709. Now, what do you consider the interval of time which would be necessary for the development of these injurious effects upon labour?—I should think perhaps seven or eight years, or something of that sort.

26,710. Then the depreciation of prices began in 1873?—Yes.

26,711. And you would expect at all events before seven or eight years to perceive these injurious effects as regards labour?—Yes.

26,712. A fall in the money prices of labour wages?—Not necessarily.

26,713. And a want of employment due to the hindrance given to production by depression of prices, and I presume a concomitant increase in the price of commodities?—My argument was that the circumstance of the fall of prices tended to injure the position of the labourer after a certain term of years, as you have mentioned.

26,714. You said just now that after a term of seven or eight years the injurious effect would exhibit itself?—Yes.

26,715. Then I have called your attention to the fact that, as you stated yourself, the depreciation of prices began in 1873. I would expect, therefore, according to your statement and your argument that the injurious effects of the fall of prices would begin to exhibit themselves upon labour by the end of that decade?—Yes, but I have only represented this as one of the circumstances affecting the position of labour, and as an unfavourable circumstance; but there are at least a hundred circumstances connected with the progress of society during the last 30 years which have all been favourable to the position of labour, strengthening the position and tending to an increase of wages. I have never said that the currency disturbance alone would outweigh all the other favourable influences.

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26,716. But surely, when you are predicting these injurious effects, and when you have stated that the effects of the depreciation is to limit productions and to discourage industry ——?—So far as it goes.

26,717. There would be some evidence of that in the state of things which has occurred in the interval of 20 years, when this very serious state of things was continually occurring year by year?—Yes.

26,718. Now have you tested your theories by actual experience, and by the results upon wages and upon labour during the interval?—It came to me rather in the other way, that my attention was drawn to the depression of trade, and in trying to find out the causes of the depression of trade I was led to inquire into prices.

26,719. I wish to put it to you whether you have studied the results and compared the results with your theories, because after all that is a very important matter for an investigator of these political questions?—Yes.

26,720. Political economists propound theories upon a subject, and then it is important that they should test them by experience and by facts?—In what way should I test them?

26,721. I ask you whether you have tested your theories by the experience of facts during the last 20 years?—Yes, I have to a large extent.

Course of wages and condition of labour since 1873.

26,722. Have you observed what has been the course of wages during those 20 years?—Wages have slightly risen.

26,723. And what has been the condition of the labouring men during that period?—I consider that it has improved undoubtedly during the period.

26,724. Undoubtedly improved?—Yes.

26,725. Then you cannot say that your theories have been fulfilled in respect of the conditions of labour, or of the wages of labour?—Pardon me, I should rather put it this way; if we were to take count of the various agencies which have been at work during the last 30 years, all tending to the improvement of labour, we should have expected a very marked improvement.

26,726. What in the main have those been except the fall of prices; what has been the main reason for the condition of labourers improving except the fall of prices?—I should think partly the increased strength of the Trades Unions, giving them increased bargaining power with the employer, so that they are able to get the utmost advantage from the employer now.

26,727. Do you think that in the long run would tend to maintain wages beyond what they ought to be?—Beyond what they ought to be?

26,728. I presume your argument would be that for a time trades unions might maintain the average of wages to a point which it might not otherwise have reached; but I presume that, as an economist, you would hardly say that that could be maintained for a great length of time?—Yes, I think they can diminish the rate of profits, and that they have diminished it very seriously.

26,729. In the case of the agricultural labourer, do you know whether there are any substantial trades unions existing?—I think not at the present moment.

26,730. Are you aware that practically the money wages of labour have increased in almost every trade during the last 15 years?—Yes, I am prepared to admit that.

26,731. Are you aware that in the case of the agricultural labourer, although in some few districts the wages may be said to have been maintained at their old point, and in some few cases to have been reduced, yet that over a great part of the country the wages of agricultural labourers have been increased?—Yes. But my reply to that would be that we have

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made an enormous increase in the efficiency of production by our mechanical inventions, and in a hundred other ways.

26,732. Has there been any very serious difference caused by invention in the case of the agricultural employment of labour during the last 20 years?—I am not very well able to state the exact period at which reaping and other labour-saving machines came in, but my impression would be that there have been very considerable increases, according to my own observation, in the last 20 years, in the introduction of labour-saving improvements.

Course of pauperism since 1873.

26,733. Have you observed the course of pauperism during the same period?—Generally, but not very precisely.

26,734. I have had, on this table of Mr. Sauerbeck's, which you have put in, a line marked off showing the changes in respect to pauperism and I should like you to look at it?—I see it is on the whole a steady decline.

26,735. From 1873?—And from 1850, and 1848 still more.

26,736. I am now speaking specially of the period from 1873, downwards, to the present time, which has been the subject, in the main, of your examination; when you consider that, according to your theories, serious results would have occurred as regards the labourers of this country. I would ask you to look at that line, and see whether that line has not proceeded, since 1873, in almost exact parallelism with the fall of prices?—As to the parallelism, I should say, first of all, that the diminution of pauperism has not been so great during the last nine years, when the effects of the fall have been most strongly felt.

26,737. The fall of prices has not been so great in the last nine years?—Still it crosses the curve of prices.

26,738. That is a very small thing compared with the main movement since 1873?—That is an important thing as regards the argument. I think my argument has been entirely misunderstood. I took the greatest pains to say that I never supposed, for a moment, that the fall of prices was of itself a disturbing force of sufficient importance to set back civilization. There are a hundred causes in one direction, and this is one important cause which seems to me to be in the other direction.

26,739. I would ask you to look at the line and see whether there is not a remarkable parallelism between the line indicating the reduction of pauperism and the reduction of prices?—I must call your attention to this, that pauperism diminished just as much when prices were rising from 1848 to 1873. There is an enormous fall in pauperism over that period. I am inclined to attribute the fall of pauperism to a number of causes. If I might mention some I would say the extension of clubs and benefit societies, trades unions—whose members are hardly ever known to come upon the rates—and charity organization, which has had an immense effect in diminishing the charge for out-door relief over the country, and increased emigration.

26,740. I do not think it has diminished the charge throughout the country?—In Cambridge it almost extinguished it at one time.

26,741. It would be confined to very few unions, I suppose. I think you can hardly say there has been a general alteration in that respect?—Then there is national education and technical education, these have all had immense effect, at least, one would hope so.

26,742. Do you think that technical education would have effected the condition of the agricultural labourers?—Not specially the agricultural labourer, I was rather thinking of the general efficiency and the wage-earning power of labour throughout the country.

Increase of population since 1873.

26,743. Now, during the same interval between 1873 and the present time, are you aware that the population of the country has increased by nearly seven millions; that is really between 1871 and 1891 it has increased by seven millions?—Yes.

26,744. Therefore an additional population has been provided for in the country during that interval, of no less than seven millions?—Yes.

26,745. I presume we may take it that four-fifths of those represent the families of the working men?—I should think very likely.

26,746. Therefore there has been a very large employment somehow or other found for working men?—Yes, I should like to compare that with the increase from 1852 to 1873 which, I take it, would be at least as large.

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27,747. I understand you to say that you considered there had been a great improvement in the condition of labourers previous to 1873?—Yes.

Improvement in condition of labour since 1873.

26,748. Do you not think that on the whole there has been a yet greater improvement since 1873 up to the present time?—In agricultural labour, or labour as a whole?

26,749. Taking labour as a whole?—Yes, taking labour as a whole, the whole set of the age is in favour of improving the condition of the labourer.

26,750. Now take the case of the agricultural labourer?—I should not have thought so in his case.

26,751. Is it not a fact that the wages of agricultural labourers, as I stated a short time ago, in the main, have increased in money?—I am not very familiar with the general result of the wages summary, but in the case of the eastern counties, I should say, certainly not.

26,752. But taking it generally over the country, is it not a fact that the wages of agricultural labourers have increased in money?—I should think that is possible, but it is a very difficult thing to ascertain what is meant exactly by a labourer in these returns.

26,753. Assuming that there is a small increase in the wages of agricultural labourers, is it not also the fact that the low prices of all articles of all kinds which they consume has conferred an enormous advantage upon these agricultural labourers?—No doubt.

26,754. If you are right in saying that the appreciation of gold is 50 per cent., that must mean that the agricultural labourer can get a very much larger amount of food and clothing for his wages than he could before?—I think it would be undoubtedly true of the agricultural labourer that he would have that advantage, particularly in the articles that he consumes.

26,755. It would be especially a cause of improvement to the agricultural labourers?—Yes.

26,756. They probably would have benefitted even more than other labourers?—Yes.

26,757. Because a larger proportion of the articles of their consumption are the elementary ones where the prices have been lowered?—Quite so.

Increased employment for labour since 1873.

26,758. Now looking to the fact that the country has been able to find employment in the interval for seven millions more people?—Not in agriculture; there is a diminished employment there.

26,759. That is so, and perhaps I might call your attention to the fact that the number of agricultural labourers has been reduced in that interval by something like 150,000, of course, representing families to that amount of population?—Quite so.

26,760. Therefore, somewhere or other in the country there has been provided employment, not only for the seven millions more people who have been born and have come into existence since 1871, but also for this number of agricultural labourers who have removed themselves from the agricultural districts into town districts?—I fully admit that.

Effect of monetary changes on production and industry.

26,761. Now in view of all that, do you think you can fairly say that there is evidence that monetary difficulties have caused a serious effect upon the production of the country and the industry of the country?—I think so; I think they have produced a very serious effect, because they have diminished profits and contracted the enterprise of those who have received profits.

26,762. Would you expect to find that exhibited to some extent in the want of employment of people, and in the increase of pauperism if it was really a serious cause?—I think we have met those difficulties by a number of agencies, especially by emigration.

26,763. But still whatever the emigration may be, actually the number of the population in this country has undoubtedly increased by the number I speak of; that is, after taking into account the amount of emigration?—You would have to calculate, in order to go into this matter fully, the gains arising from the improvements in machinery and in efficiency of industry generally, which I dare say are at least 100 per cent. over the period.

26,764. Still does it not occur to you that it is a very remarkable fact that in view of the very serious causes

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to which you have called the attention of the Commission, and your theories upon the subject, namely, that these monetary difficulties would seriously affect and impede the industry of the country, notwithstanding all that, these seven millions of people and the 150,000 families from the agricultural districts have found employment in this country?—No, I think not. It appears to me that the position is almost similar to the position of a man who was advocating canals, let us say, at the beginning of the century. He might say canals would be an immense assistance to commerce; in place of your hilly roads you would have level means of communication. It might be retorted to him "The popu- "lation is steadily increasing, the trade of the country "is steadily increasing, without canals; what reason "is there for supposing that the introduction of canals "would improve that position of things"?

26,765. You come here to-day to advocate a very serious change in the monetary system of the country?—Yes.

26,766. And you do so on the ground that during the last 20 years the depreciation in prices has had a very serious result upon the industry and production of the country?—There seems to be abundant evidence of that.

26,767. I want you now to state in what direction you see these serious effects?—The Commission on the Depression of Trade brought out a great many of those effects, but they are much worse at the present time.

26,768. I am not going to the Commission on the Depression of Trade, but I am dealing with the facts which are within your knowledge; what facts have you to lay before the Commission which tend to show that the effect of the monetary changes has been serious upon the production of the country?—It is asking me an almost impossible question to ask me to say exactly what effect this has had out of a number of complicated causes, all acting upon the situation.

26,769. Still, as you come here alleging that serious effects have been produced upon the industry and production of the country, I think I am entitled to ask you to say where the effects are?—I certainly relied upon such facts as those which were brought before the Commission, and on my own personal knowledge in Scotland—in Dundee, for example—in Manchester, in Liverpool, and all over the kingdom.

26,770. What are those results?—That the disturbance of the Oriental exchanges has so unfavourably affected trade.

26,771. Are there many men out of employment?—I believe that in Dundee at the present time there is singular distress in the jute industry, according to a letter I received the other day.

26,772. Looking to the general condition of the country, can you say that at this moment, or taking an average of two or three years, that there has been a serious amount of want of employment, or of increased pauperism?—I do not know that it is very serious compared with previous epochs; but there was a very distinct increase of pauperism when prices fell from 1891 to 1894, a very marked increase. There was also an increase in the want of employment over those same years. If you like I can put in some figures as to that.

Condition of the country in 1873 and 1893 compared.

26,773. Now, let me ask you another question. Comparing the present condition of the country with what it was in the year 1873—in the year 1873 prices were inflated were they not?—Yes

26,774. Very highly inflated?—Yes.

26,775. And there was a great deal of speculation going on?—Yes.

26,776. It was generally said that the country was very prosperous. Now compare the state of the country at this moment with what it then was, there is exactly one half the amount of pauperism that there was in 1873, the wages of the labourers have increased in the interval, and the amount which the labourers can get for their money has increased in a greater degree; would you on the whole say that the country was more prosperous then than it is at this moment?—Certainly not, but I have admitted that in the fullest degree throughout. I am merely putting forward this as an improvement

26,777. Then whatever the mischiefs that you think might result from the depreciation of prices and the appreciation of gold, they have at all events not exhibited themselves in any serious degree, or if they have had any effect, according to your view, they have been counteracted by other causes?—Yes, that is my view.

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Fall in prices and condition of labouring classes.

26,778. And you do not think that the mere fact of the reduction in the price of articles has had an important effect in the improvement of the condition of the labouring people?—As to that I should admit that for a time it would until the adjustment had been brought about. The labouring classes would undoubtedly gain by a fall of prices, but ultimately in the long run I have no hesitation in saying that so far as that particular circumstance is concerned, it appears to me quite clear that it would be unfavourable, that it would be depressing, generally speaking, to enterprise and to trade.

26,779. But I asked you specially upon that point how long you considered it would be before these causes would show themselves, and you said in seven or eight years?—Quite as long as that.

26,780. Then I pointed out that the depreciation has has gone on continuously since 1873, although it has not been so conspicuous during the last nine years?—That is so.

26,781. And I think that you admitted therefore that its evil effects ought to have shown themselves?—I think they have most distinctly.

26,782. You think they have?—Yes.

26,783. Where have they shown themselves?—The Lancashire people are of opinion—the working classes, as well as the employers—that they have shown themselves in a marked degree there.

26,784. I mean as regards the labourer where have they shown themselves?—They have shown themselves in a contraction of certain trades, or a greatly lessened rate of increase.

26,785. Taking the whole country over, I must again advert to this question; have these effects shown themselves seriously in respect of the labourers of the whole country?—They have not shown themselves, because they have been to a certain extent overlaid by the other causes of improvement, but that they have existed I have not the slightest doubt. I find that the working classes are of the same opinion. The Parliamentary Committee of the Trades Unions has taken the question up, and has expressed that opinion.

26,786. (*Mr. Channing.*) In speaking of Lancashire, would you consider the state of Oldham would specially illustrate that?—Yes; I was thinking of Oldham largely when I was speaking just now.

26,787. (*Mr. Dalton.*) Is not Lancashire the least pauperised county in the whole of England at the present time?—I cannot speak to that positively now.

26,788. The rate of pauperism there on the 1st of January last, I think, is the lowest of all; the West Riding the next?—Very likely, I should think.

26,789. And it has been so for many years?—Yes.

Effect of appreciation of gold on debts due to the country.

26,790. (*Chairman.*) Do you consider that no considerable benefit has come to the country through the fall of prices?—On the whole?

26,791. On the whole?—Distinctly not. I am very very strongly of opinion that it has been an injury, not only to this country, but to others.

26,792. I presume you are aware that the indebtedness of other countries to this country is very large?—Yes.

26,793. Have you formed any opinion as to the amount of that indebtedness, and what the interest upon the debts due to this country amounts to?—No, I do not know that I could venture an estimate; I should think perhaps 100,000,000*l.*

26,794. 100,000,000*l.* a year?—On the quoted debts.

26,795. That is to say, the interest on the debts due to this country represents about 100,000,000*l.* a year?—Possibly. I should not like to insist upon it. Mr. Giffen would know much better than I.

26,796. That has been the estimate made by competent people, and you are not prepared to dispute it?—I think it would be something like that.

26,797. That 100,000,000*l.* a year is for the most part payable in gold?—Yes.

26,798. And if your view be accurate that gold has appreciated 50 per cent. then we must take 50 per

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cent. more produce to liquidate that debt?—Half as much again of produce, no doubt.

26,799. Has that not been an enormous advantage to the country?—Not, I think, in the long run, because there are two set-offs at least against that. In the first place there are repeated bankruptcies and repudiations, and then there are reductions of interest under various terms, conversions, moratoriums, or what not.

26,800. If it had not been for the repudiation of debt or the bankruptcies, you admit that the payment to this country in produce would be half as much again?—No doubt, if we could get it.

26,801. No doubt that would be a very great advantage?—Except in this respect, that it very heavily checks the development of those countries to which we are in the main lenders and investors, and, therefore, it would stop very largely the stream of investment. It is almost impossible, for instance, to develop the railway system of India, because of the very circumstance which you have pointed out, that the pressure of the gold debt has increased.

26,802. But still, looking at the question from the point of view of this country only, is it not a very great advantage to this country that that appreciation of gold has taken place?—I think not. I am trying to put it from the point of view of this country, because we are interested in getting a market for our investments. At the present time it is almost impossible to invest money in silver countries at all, owing to the divergence between silver and gold, and the general increase in the pressure of the gold debt. The investment business I have been told again and again has almost ceased in these new countries, but it was one of our principal industries.

26,803. (*Mr. Chaplin.*) Is there not also a very great danger of our losing the money invested if the fall of prices continues?—We have lost a good deal already.

26,804. (*Chairman.*) That has been going on for 20 years, but have the losses to us in the aggregate been very great?—The loss in Australia and the Argentine Republic would be very heavy, and the check to Indian investment has been very heavy.

26,804*a*. Do the debts of the Argentine Republic form a very large amount of the total due to this country?—I have the facts with regard to the Australian bank failures. I am sorry to say that I have not brought them with me, but they were very large indeed, 80,000,000*l*. I should think.

Effect of fall in prices on imports and exports compared.

26,805. Have you ever compared the value of the imports of this country with what they were in the years 1870 to 1874; supposing the prices of 1870 to 1874 had been maintained, have you considered what we should be now paying for the articles imported into this country?—Of course it would be a very much larger sum; on the other hand, our exports which are set against it would have also risen.

26,806. Are you also aware that the exports have not fallen in value in at all the same proportion as the imports?—No, I was not aware that the discrepancy would be very considerable.

26,807. Taking the fact that the wages in this country have not been diminished but rather increased, and that the general operation of manufacture is to import articles of produce, to work them up by means of labour in this country, and to export them again, would it not follow almost as a necessary consequence that the fall in the prices of exports has not been at all in proportion to the fall in the prices of imports?—No, I think I could not admit that as a matter of theory.

26,808. I have just been asking you with regard to the value of articles imported into this country at the present moment, as compared with their value 20 years ago. Are you aware that the articles of food alone, imported into this country, at the present time, if they were valued at the prices which they were at 20 years ago, from 1870 to 1874, would now be valued at 200,000,000*l*. as compared with their present value of 138,000,000*l*., making a difference of 62,000,000*l*.?—I am prepared to believe that.

26,809. Do you not believe it to be an advantage to this country as a whole that that enormous importation of food at these reduced prices should be made?—Undoubtedly, so far as it goes, but it is counterbalanced, on the other hand, by an equal reduction in the price of our exports.

26,810. I have already tried to point out to you that there has not been any corresponding reduction in the prices of exports?—I do not follow that.

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26,811. I think you will find that there has been no corresponding reduction; there has been some reduction in value, but not at all comparable to the reduction in the imports. In the case of the exports, the only reduction in value would be the reduction in the value of the raw material, and to whatever extent that value has been added to by labour there has been no reduction, on the contrary, perhaps somewhat of an increase, owing to the fact that the wages of labourers have increased and not diminished?—Yes.

26,812. In view of that, do you not consider that it is a very great advantage, not only to the consumers of this country, but also to the trade of this country, that there should be these immense importations at these prices?—My impression is, that the cost of labour has diminished in this country. It is true that wages may have increased, but the cost per unit turned out by the labourer has diminished. I do not admit that the value paid to the labourer per unit of work has increased. Such gain as there has been in wages has been owing to the increased efficiency of labour—certainly in the cotton and the textile trades.

26,813. The main process of manufacture is in applying labour to commerce?—Yes.

26,814. If the wages of the labourers have increased, unless there has been some great improvement in machinery, there cannot be a corresponding reduction in the price of exports as compared with imports?—If you are going to take the imports of food at the increased price, you must also take the exports at the increased price, which they certainly would have had if prices had risen in the same degree.

26,815. But not in the same proportion?—I think in the same proportion.

26,816. Then I need hardly point out to you that there is an enormous excess of imports over exports?—I admit that.

26,817. Assuming that there are no further investments abroad that must mean something like from 70,000,000*l*. to 100,000,000*l*.—probably it would be 100,000,000*l*.—that would be due to this country in the shape of interest?—That is only the question we have had before of the effect of investments; it is not a new point.

26,818. If no further investments took place abroad, then the balance due to this country must be something like 100,000,000*l*.?—Then you are taking into account the transport; of course it must be balanced by something.

26,819. I think you admitted that 100,000,000*l*. was a fair estimate of the interest on the debt to this country?—I do not want to lay any stress on that figure, but I think it is something like that.

26,820. Assuming other things are equal, and there is no further investment abroad, in any particular year, that 100,000,000*l*. would have to come into this country in the shape of imports over exports?—I quite admit that; I am only saying it is not a new point, it is the same point you raised before; it is not an additional point arising out of imports and exports.

26,821. You admit an enormous advantage to the country having that excess of imports over exports, and that debt due to the country payable in that appreciated currency?—Yes, but I am perfectly convinced myself we should have been in a better position in regard to that trade on the whole if prices had been stable, because of the set-offs I mentioned—the repudiation of debts and the reduction of interest discouraging every possibility of further investments in those countries at the present time.

26,822. Do you think that pauperism might have been reduced still more?—I do.

26,823. And that the savings of the country might have been still greater?—Much greater.

26,824. Are you aware that the investments of the labouring classes in the Post Office and trustee savings banks have doubled during the last 20 years?—I should expect that, but I have not the figures before me.

26,825. They have risen from 53,000,000*l*. to 100,000,000*l*., I believe?—Yes, over 100,000,000*l*.

Objects of bimetallism.

26,826. In view of the evils which you consider have resulted from the depreciation of prices, you propose

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this scheme of bimetallism, the main objects of which are two-fold; first to create greater stability of prices, and, secondly, to raise prices?—I did not put the raising of prices as the direct object. I should say before the raising of prices, the fixing of the ratio of exchange, the par of exchange, between gold and silver using countries. That would be the second object of importance, but some persons would put it as the first object.

26,827. (*Mr. Chaplin.*) What do you put as the first object?—I should myself, on the whole, put as the first object the checking of the fall of prices.

26,828. (*Chairman.*) The checking of the fall of prices?—Yes, and to preserve in the future the relative stability of prices.

Effect of bimetallism on prices.

26,829. I think I understood from you that you consider the effect of the change would be to raise prices?—Yes, because before you could get to the ratio which would ultimately promise the greatest stability, you would have to rise from the present low level of market prices. I do not put the rise of prices as a substantial object.

26,830. Instead of adopting the present ratio, which is 33 to 1, you propose to adopt the ratio of 20 to 1?—Yes.

26,831. I think you admit that the effect of that would be to raise prices?—I think it would, but on the whole it would give us the greatest promise of stability in the future, when we have once reached that point.

26,832. But the immediate effect of the change would be to raise prices?—Yes.

26,833. I think I understood you to say that you were against fixing the ratio of 15½ to 1, on the ground that it might be dangerous?—I think myself that it would raise prices too much.

26,834. On the ground, then, that it would raise prices too much?—That you might have an excessive supply of monetary metal; on the whole, I think so.

26,835. I presume it would be a dangerous operation?—No, I do not know that it would be dangerous, but it would bring about such evils as result from a rise of prices; and, of course, I admit there are evils arising from that.

26,836. You admit that evils might result from a rise of prices?—Yes.

26,837. But you are prepared to incur that evil?—Up to a certain extent.

26,838. Up to the difference between 33 to 1 and 20 to 1?—Yes.

26,839. But you would not go further, you would not go to 15½ to 1?—I think that probably the supply of the metals would be excessive. It is, of course, a matter of estimate.

26,840. Then, as I understand, you admit there would be an immediate rise of prices?—Yes.

26,841. I presume you would say that things would adjust themselves after a time to that?—Yes.

Effect of rise in prices on condition of labourers.

26,842. But immediately the labourers would suffer?—I do not think they would suffer, because I think immediately on the introduction of these measures there would be a great demand for labour. There has been hardly any investment of capital in the London market recently.

26,843. Would not the process be the exact reverse of what has taken place during the last 20 years?—I think not.

26,844. That is to say, instead of the labourer benefiting from the fall of prices, as you admit he has done——?—Yes.

26,845. Would he not suffer from the rise of prices?—I should say it would be rather parallel to what took place in 1850. There was a rise of prices then with the greatest possible advantage to the labourer, as your curve of pauperism shows. Pauperism diminished very rapidly in the year immediately after 1850, more rapidly perhaps than at any other time, because co-extensive with that rise in prices there was a very great increase in the demand for labour, because there was a great outburst of enterprise.

26,846. Still, apart from any additional demand for labour—if there should not prove to be an additional demand—then the labourers would suffer, inasmuch as they would have to pay a higher price for commodities consumed?—Yes, but certainly there would be such a demand.

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26,847. The one is a possibility whereas the other is a certainty?—Yes, but there are immense amounts of capital ready to be placed if there were the slightest possibility of a settlement of the monetary question.

26,848. You admit this I think, that the one is a possibility and the other a certainty; it is certain that the labourers would suffer from the rise of price, it is only a possibility that they would gain from the increased employment?—It is a probability of the highest degree, I should say.

26,849. Is it not a certainty that they would suffer from a rise of price *pro tanto*?—*Pro tanto*, yes; undoubtedly.

26,849*a*. Therefore, so far as that is concerned, you would be reversing the process which has taken place during the last few years?—To some extent we should be, but I should rather say that we should be practically repeating what took place in the years 1850 to 1854 which were highly favourable to the labourers.

Determination of the ratio.

26,850. Now, assuming that there is to be this double standard, and that there is to be a convention between nations with the view of establishing a ratio between gold and silver, who is to decide, according to your view, what that ratio should be? You have expressed your own opinion that it should be 20 to 1, but who is to decide that? Is that to be a matter in which the majority of nations concerned is to decide, or is it to be subject to the approval of all and every one of them? You may easily see that it is a matter of supreme importance, if this country is to go into a conference on this subject, that it should know whether it is to be at the mercy of the majority of other countries so that the ratio might possibly be pushed up to 15½ to 1, instead of 20 to 1, as you suggested, or whether it is to be entirely at the discretion or subject to the approval of this country alone?—I do not know that my opinion on that is of any value. But though the nations would go into the conference ostensibly upon equal terms—I believe it is usual for European nations to appear upon ostensibly equal terms—I should suppose that certainly the great commercial nations would have the predominant influence in such a conference, and if, as the result of their deliberations, a resolution was adopted which appeared to the Government representing this country to be one they could not accept, of course the agreement would not be accepted.

Climbing ratio.

26,851. I understood you to say that you yourself prefer a climbing ratio?—I was speaking of the mode of transition.

26,852. The mode of transition is to be a climbing ratio?—Yes.

26,853. This ratio would be begun at a low point, I presume?—Something like the market price.

26,854. And gradually rise?—Yes.

26,855. Therefore, I presume, it would depend on the Conference, or on the majority of the Conference, or on the Powers from time to time, how that climbing ratio should be carried out?—Undoubtedly; they would have to agree as to the point at which it should start.

26,856. Did you in preferring the climbing ratio do so on the ground that you consider there would be danger in taking the step at once from 33 to 1 to 20 to 1?—I should be opposed in general to any large and sudden monetary changes, particularly in the ratio, which affects a large mass of trade.

26,857. It might give rise to monetary disturbance?—It would disturb the trade with the East very much, I think.

26,858. And it might give rise to alarm possibly if you took so bold a step at once?—It has been represented to me purely as a matter of Eastern exchange, that a sudden variation in the Eastern exchange would be objectionable, even to those who are very strong advocates of a bi-metallic settlement.

Bimetallism and past and future contracts in gold.

26,859. Now, going a little further, what do you contemplate when your scheme has come into operation; are contracts in gold to be prohibited in future, or not?—I do not think there would be any need to prohibit them. It is not part of any scheme that I am acquainted with.

26,860. I want to know whether it would be competent for people after your scheme is in operation to contract in gold or not?—Personally, I should prefer to leave it quite open to them.

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26,861. You mean that there should be full liberty to contract in gold?—Yes.

26,862. Then, as regards the future, debtors and creditors, or the persons who are going to adopt that relation to one another, are to be entitled, if they think fit, to contract in gold?—Just as they might in corn, or in anything else.

26,863. Now, as regards past contracts, where contracts in the past have been made in gold, are they, according to your view, to be paid in silver in the future?—They would be paid in the general standard, which would be a double one.

26,864. Why should a contract in the past be less sacred than a contract in the future; if you permit contracts to be made in the future in gold, why not also recognise contracts which have been made in the past in gold? I should have thought myself that it was rather a more violent interference with the freedom of contract to interfere with past contracts than with future ones?—Pardon me, the way in which I look at it is this: By the law of the country it is open to anyone to contract in any commodity he pleases, and I do not propose to alter the law of the country in that respect, though it was suspended in the years of the Bank suspension.

26,865. Not as regards the future?—No.

26,866. But you are proposing to alter it as regards the past?—No, that permission to contract in any commodity remains.

26,867. But there are a great many contracts made between people in this country and people abroad payable in gold?—Payable in legal tender.

26,868. Contracts not subject to the laws of this country with regard to our currency—— ?—Yes, I think so.

26,869. But actual contracts payable in gold?—Specifically?

26,870. Are those contracts to be interfered with, and is it to be open to people in the Argentine Republic to pay their debts in this depreciated currency?—That would be a matter of private international law; it would not be a matter of domestic law.

26,871. I want to know what your view is on the matter. Do you consider that these contracts should be interfered with, and that in future, under your scheme, these contracts payable in gold between people of the two countries should be liquidated in this depreciated currency?—I do not like to give an opinion on an international question, because the law is extremely complicated, as I happen to know, having at one time studied it a little. But I should like to say, as regards the domestic contract, certainly, that if the contract has been made specifically in a metal the contract would be enforced by the courts exactly as a contract made specifically in corn; but if the contract was made in legal tender, in the ordinary sense of the word, then it would follow the law of legal tender, whatever it might be, enacted by the State.

26,872. Still it does seem to me important that we should know what is your view with regard to this enormous mass of contracts which are payable in gold which have been made between the people of this country and the people of other countries, and whether those contracts are to be liquidated in future under your scheme, in a depreciated currency?—They might remain payable in gold. I do not see any objection to that.

26,873. Is that your view?—I see no objection to it, and no difficulty whatever.

26,874. You think there would be no difficulty in that. Then, assuming those contracts are to be paid in gold in future, why are contracts in this country which have been made with reference to a gold standard, which has been as firmly fixed in the minds of the people who contracted as if the word gold had been mentioned, why should those be liquidated in a depreciated currency, whereas contracts made between the people of this country and the people abroad are to remain payable in gold?—It appears to me in the first place that if the contracts which have been made stipulate that the payment should be made in gold, the payment would remain payable in gold, exactly the same before as after if you like; it might be so, if you please; but if you mean that the value of gold would be altered in consequence of the change, I admit that; but then the value of gold has altered in the last 20 years—very seriously altered—as much as 50 per cent., and no one has complained of that; and why should they complain of an alteration in the opposite direction.

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26,875. You have admitted that these contracts between the people of this country and people abroad, payable in gold, are to remain payable in gold?—I do not say so; I say that I see no objection to it.

26,876. Why are those to be more sacred than contracts with reference to a gold standard made in this country? Let me take the case of the 100,000,000*l.* of deposits in the savings banks, which are contracts between the Government and the depositors in those savings banks, that the money, the 100,000,000*l.*, would be paid in gold; why are those contracts to be liquidated in future in a depreciated currency, whereas these contracts between people in this country and people abroad are to remain payable in gold?—I think I might answer by asking, why should they be liquidated in an appreciated currency, as they have been during the last 15 years?

26,877. That is not an answer to my question?—If we are dealing with the absolute value of the metal, that has fluctuated from time to time, and no Government has ever guaranteed that an ounce of gold shall always mean the same value in commodities.

26,878. I should have thought that the Act establishing a gold currency amounted to an obligation on the part of the State to pay in so much of gold?—If that was thought to be a serious objection, I do not think there would be any difficulty in continuing to pay in the gold. Of course, it would be the case that the gold would not have such a high value.

26,879. Then do you contemplate the possibility of these deposits in the savings banks being paid in gold?—If any general demand arose for it, I do not see why it should not be. I cannot see why the demand should arise, because the silver would be worth exactly as much as the gold. The 20 ounces of silver then would be worth as much as the ounce of gold, and why should they ask for gold rather than silver?

26,880. You have now admitted the possibility that the savings banks depositors may be paid in gold; let me take the case of depositors in other banks—private banks; can you draw a distinction between them and the depositors in the savings banks?—Only to this extent, that the depositors in savings banks are very simple people, and might suppose there was something wrong, and as it is a small matter, I would be inclined to give them the benefit of the doubt. With regard to others, they would be intelligent enough to see the position.

26,881. It is not a question of what they might suppose, but I think you have admitted that they would be repaid in a depreciated currency, if the scheme was carried out?—That I do not admit, because whether they have gold or silver, the value would be the same; whether you paid them in an ounce of gold or in 20 ounces of silver, the value would be identical measured in commodities. The whole question is whether they would have any preference under those conditions for a payment in gold, rather than a payment in silver; and I think that as soon as they found the two were equally current for all purposes, and were probably represented by a note, in such a way that they could not tell which the note represented, whether the gold or the silver, there would be no difficulty at all.

Mint ratio and market ratio between gold and silver.

26,882. Then is your opinion this: that the effect of your currency arrangement would be, that there must be the same ratio between the price of gold and silver outside the currency?—Undoubtedly.

26,883. That is the basis of your whole argument?—Yes.

26,884. Whatever you determine as the ratio between gold and silver for currency, that will be the market ratio between gold and silver outside?—Yes, subject to the small agios which I have mentioned.

26,885. The whole of your argument turns upon that?—Yes.

26,886. I think you would also admit that if you are wrong in that, then very serious difficulties would arise and must arise in respect of all these questions which I have raised, especially with regard to the deposits in savings banks and in private banks?—Yes, I think some difficulties might arise.

26,887. Would there not be a serious danger of this, that the depositors in savings banks might take a

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different view from you and your friends as to what might be the effect of bimetallism, unless there is a possibility of maintaining the ratio outside the currency between gold and silver, and expecting the gold to be more valuable, might demand repayment in gold of the money due to them?—All economic reasonings proceed upon rational grounds—upon the supposition that the people are pursuing their interest; but I admit that they may not do this—that they may be irrational and unintelligent. For instance, there were riots when the bronze pennies were introduced, although their introduction injured nobody. I remember disturbances in Somersetshire.

26,888. You would think that it would be wholly irrational on their part?—I think it would be absolutely irrational.

26,889. But suppose any part of them thought otherwise, is it not to be expected that they would demand the money which is due to them?—I should like to say here, that of course this scheme would come before them, recommended by persons in the majority of whom they had confidence. It would come before depositors in savings banks, recommended by the whole of the parliamentary committee of the trades unions, for instance; the working classes have confidence in those men.

26,890. You must admit that there is a serious difference of opinion among people on the subject of bimetallism, and that the Royal Commissioners were equally divided upon the subject?—Not upon the subject of the possibility of preserving a ratio; they were all agreed upon that.

26,891. That was only, I apprehend, for currency purposes?—No, that had reference to the rate of exchange as well.

Demand for gold.

26,892. As I understand, you are contemplating a use of gold outside the monetary system for the payment and liquidation of contracts made in gold?—Specifically made in gold.

26,893. Therefore there would be a demand for gold for other purposes than purely monetary purposes, affecting a particular country which may have adopted the principle of bimetallism?—Yes.

26,894. I think when you have admitted that these enormous debts payable to this country in gold are to be liquidated in gold in future, you must see that there would be a demand for gold for that purpose?—I have never said anything about the international debt, because we have no control whatever over that. In this country, where specific contracts have been entered into, they, of course, would have to be carried out.

26,895. You said a short time ago to me, that you saw no objection to allowing these debts to this country to remain payable in gold?—There is no objection from our point of view, certainly; it would be all to our advantage so far as that goes—or rather there would be no disadvantage.

Continuation of the fall in prices.

26,896. Do you consider that the depreciation of prices will go on?—The appreciation of gold?

26,897. The appreciation of gold?—Yes, I think so.

26,898. Looking at the fact according to your view of the very large appreciation which has already taken place, and therefore to the greater economy which must result in the use of the gold which now exists, and also to the increased output of gold in the world?—Of course it is very difficult to prophesy.

26,899. Having regard to those facts, do you think that we are likely to have a still further serious reduction in prices?—I think, in the first place, we are nothing like at the end of the demonetisation of silver, unless something is going to be done to establish it.

26,900. I am not talking about silver now. It is another question than the depreciation of silver?—Pardon me, I think it is very much to the point, because if you displace silver, gold will have to take the place of silver. I do not think we are at the end of the demonetisation of silver; we are still in a transition period. Then as regards the African discoveries, I think they are very nearly balanced by the diminution in the use of silver in the States, owing to the cessation of the coinage under the Sherman Act; the United States will now become demanders of gold.

26,901. I think you allege one of the reasons for the depreciation, especially in the early years after 1873, was the fact that Germany and some other countries demonetised their silver and had to fill up the vacuum with gold; and also that other countries, especially Russia, made very considerable war chests and accumulations of gold for the purposes of war?—Yes.

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26,902. Those operations have been to a large extent completed, and in the interval the output of gold has considerably increased?—Yes.

26,903. At the same time, in consequence of the depreciation of prices, the same amount of gold must go very much further in the mercantile operations of the world than formerly?—Yes.

26,904. Having regard to all those facts, do you think there is likely to be a still further considerable depreciation in prices and appreciation in gold?—I think so, on the average; possibly for the next two or three years, there might be a slight recovery; but I do not think it likely. I notice that during every month this year the appreciation has continued, and that it has been greater this year than in almost any previous year.

26,905. Still I must call your attention again to the fact that in the last nine years, as I think you have admitted, there has been fair stability?—Yes; I see nothing remarkable in the stability of the last nine years.

26,906. The ups and downs have not been considerable?—Not very considerable.

26,907. Looking to that fact and to the other facts that I have called your attention to, do you think there is likely to be a further appreciation of gold?—I think so; and I found that opinion mainly upon the geological opinion which has been very widely expressed, that the tendency is to a scarcity of the metal gold; and, further, that the demand for the Arts is very steadily increasing, and shows every likelihood of increasing; so that I have heard it estimated that in a short time the whole of the supply of gold will be required for the Arts alone.

26,908. It is founded, then, mainly upon a geological opinion that the output of gold will not continue?—It is never likely to be very large for any considerable period of years together.

26,909. Still it has increased considerably in the last few years?—Yes, and it will from time to time.

Output of gold.

26,910. Still it has increased considerably in the last few years?—What is stated is that the discoveries of gold are not lasting, and that they are soon worked out.

26,911. (*Mr. Giffen.*) Is not the Transvaal a new discovery of a remarkable kind?—Yes.

26,912. Not subject to those geological conditions which apply to alluvial gold?—Not to the same conditions; I admit that it is a more steady production, on the whole.

26,913. (*Chairman.*) I think I am right in saying that the alluvial gold generally is worked out?—Yes.

26,914. And that what we have been depending upon of late years has been the quartz formations?—Yes.

26,915. And formations such as those which exist in the Transvaal, which are of a different character?—Yes.

26,916. But from whatever cause, the output of gold has steadily increased during the last few years?—Yes, steadily.

26,917. Is there not reason to suppose that it would be rather increased than diminished if fresh capital is applied to these mines in the Transvaal?—Yes; but you must set against that the new demands that will arise for gold if this demonetisation of silver is persisted in, because we cannot tell where we are. We have had masses of silver floating at a perfectly nominal value, unjustified by the market value of the metal, and it is impossible to suppose that this state of things will continue for any long period. We may have a gold standard in India, for instance.

26,918. I ask you to consider the question apart from the question of silver?—I cannot consider the question apart from the question of silver.

Demand for gold.

26,919. The appreciation of gold must mainly have reference to its known proportion to other commodities?—But surely it is a question of the demand for

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gold at least as much as the supply of gold; if you demonetise silver you increase the demand for gold.

26,920. What other countries are there which are likely to demonetise silver?—I think that very likely we shall have a gold standard in India if the present state of things continues.

26,921. At all events it has not got one at present?—Not at present. It would be very difficult to know what the Government intended.

26,922. Does that form an important element——?—It would be an element.

26,923. In your prediction of what is likely to occur?—Yes, I think it would cause an enormous demand for gold.

26,924. But assuming that the gold standard is not to be introduced into India, you still think that gold is likely to be appreciated?—I think the present situation in India is impossible; it is not a permanent position at all; it must end one way or the other; we must either have the mints opened, or we must have a gold standard there.

26,925. Assuming a gold standard is not to be adopted in India, do you then consider that there would be likely to be an appreciation of gold in the future?—I think there would then be a great demand for gold from the United States in the long run.

26,926. In the long run?—Yes.

26,927. I think you have said that there is a scramble for gold at the present time?—There was certainly in 1892.

26,928. Does the present condition of the Bank of England show that there is anything like a scramble for gold going on at the present moment?—Not just now; but only very lately, that is in 1892, gold was selling at a premium of 5*d.* on the ounce, that is at 3*l.* 18*s.* 2*d.*; there was certainly a scramble at that time, and I take it that this is a temporary stagnation, to a large extent.

26,929. I presume that you would attribute some importance, or considerable importance, to the fact that the depreciation of prices has economised the use of gold?—Yes, undoubtedly.

26,930. If you are right in saying that 2*l.* goes to the extent that 3*l.* did some years ago, there must have been a considerable economy in the use of gold?—I think we could do without gold altogether, if we were content to let prices run down to the proportionate rate. It is entirely a question of the level of prices; I admit that entirely.

Continuation of the fall in prices.

26,931. Looking at the general course of prices do you consider that they are likely to go much lower?—I really do not feel that my opinion is worth very much—but I give it just for what it is worth—my view would be that although we might have, perhaps, a slight recovery of prices, that may always happen under the influence of speculative activity.

26,932. I think you said your main object is to cause stability?—Yes. I was going to say that although we might have a speculative movement—and we may always have a speculative movement for two or three years, apropos of some favourable circumstance—I think, looking at the conditions of the production of gold, in the long run, judging from the best evidence I can find, geological evidence, and so on, and looking at the probable increased demand for gold, due to the increase in the population, and the opening up of new countries, and so forth, that the supply of gold will certainly not be adequate to maintain the present level of prices, and therefore prices must fall.

26,933. (*Mr. Chaplin.*) Must continue to fall?—I think so.

26,934. (*Chairman.*) For the same reason that you think a fall in prices in the past has been disadvantageous to this country, so you think it will be damaging in the future?—Undoubtedly.

26,935. And you think it worth while to risk all the possibilities which may occur from a change of the monetary system for the purpose of preventing that?—The risk seems to me very small provided the agreement were substantial.

26,936. You think the risks are small?—I think so.

26,937. You think they may be encountered without fear or alarm?—They are nothing like the risks which followed on the demonetisation of silver in 1873—nothing comparable to that in any way I should say.

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Movements in wages and prices compared.

26,938. (*Mr. Channing.*) Would you admit that wages would rise more slowly than the prices of the commodities which the workmen would buy?—I should in some trades; I think in some of the less intelligent and less organised trades, I daresay in agricultural labour; but I should not with regard to the higher organised trades, where the unions are very effective, and know perfectly well what is going on, and would instantly get a corresponding rise of wages.

26,939. You depend, for bringing wages up to the proper ratio to prices, upon the combinations of workmen, and causes of that kind, and not upon economic causes?—In the long run competition would do it, but it might be delayed if it was left to competition. I think under the system of organised trades, which we have now, the rise would be instantaneous, because these unions reckon up the masters' profits to a nicety, and know perfectly well what the situation is, and instantly demand, and generally instantly receive, a correlative rise.

Objects of bimetalism.

26,940. (*Mr. Everett.*) I understand you generally to wish for a unity of gold and silver money, so that through the world 1*l.* and 20*s.*, to use colloquial language, should be of equal value?—Yes, there should be a fixed value between silver and gold throughout the monetary world.

26,941. So that it would make them practically one money, instead of two moneys constantly diverging?—Yes.

26,942. And your opinion is, that the joint user of the two would preserve a greater stability of values?—Yes.

Effect of cheap imports.

26,943. Then with regard to our buying what we import so very much cheaper than we did, has that not tended to the impoverishment of the nations who supply us?—That is so with the farmers of America and Australia, and it would to some extent be true of the farmers of the gold standard countries, but not in the same degree of the farmers in silver or paper countries.

26,944. I was referring to the gold standard countries. Is it not a fact that since the fall in prices, all the gold standard countries, which are not our own colonies, have been building up a wall of customs duties against us, and so been trying to recompense their own producers for the fall in prices which they have suffered by?—Yes, exactly parallel to what took place after 1815, when there was a great revival of protection in the same way.

Effect of appreciation of gold on real property.

26,945. The effect of that has been to close their markets against us?—Yes.

26,946. Then I should like also to ask you whether there has not been a prodigious depreciation in the value of property at home in our landed property, our mill property and our mining property; taking property as a whole, has there not been a depreciation measured either by hundreds of millions, or thousands of millions, probably in the value of things at home?—It would be certainly a very large depreciation corresponding to the fall in gold.

26,947. That which has benefitted us by the greater value of the gold which our debtors have to pay us has been really morally very unjust and onerous to them, has it not?—I should have supposed so.

26,948. And if the greater rate of their debts has really been brought about by legislation, does there not seem to be an element of very great wrong in it?—I have always thought that a Government should concern itself, as far as lay within its power, to maintain the stability of the standard.

26,949. It has not been from an alteration really in the production of the precious metals out of the earth, but an alteration by legislation affecting the use of them, that has caused this?—Yes, in my opinion.

Labour and the fall in prices.

26,950. The general drift of the examination by the Chairman was to the effect that the fall in prices has been on the whole, advantageous to labour, and we know that that fall in prices has occasioned a long depression in trade, and an injury to a great many employers. Would not that very much look to lead to the curious statement that long depression of trade and the ruin of employers is beneficial to the people who work for them, that is, that the labourers thrive upon the ruins of their employers?—Yes, I have put it in this way, that anything that tends to contract production, or to make production less than it otherwise would be,

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His experience on the question of bimetallism.

must necessarily, in the long run, be disadvantageous to all classes.

26,951. (*Mr. Lambert.*) How long have you studied this question?—The question of bi-metallism?

26,952. No, the whole currency question, or the economical question?—I have studied economics continuously for 25 years.

26,953. How long ago did you become a bi-metallist?—I can hardly say, it was very gradual. The bi-metallic theory was explained to me by Professor Jevons as a very interesting example of his contributions to the theory of value. The point was that Professor Jevons had brought into prominence the importance of demand, and as soon as you realise the importance of demand for money, the important effect that has upon its value, you are half way towards bi-metallism directly.

26,954. When did you become a believer in bi-metallism?—I did not commit myself to a public expression of opinion on the subject until after the Commission had reported, for this reason, that although I was gradually tending in that direction, I felt that there might be arguments on the other side—economic questions are always so complicated—and I was reluctant to express a positive public opinion on bi-metallism until I had heard all that could be said on the other side before the Commission of 1886. But I am bound to say that the impression which was left on my mind was that the case against bi-metallism, as represented by that Commission, was unexpectedly weak, and I had no hesitation after that in joining my friend Professor Nicholson in publicly advocating it.

26,955. Then it was about eight years ago that you became a bi-metallist?—Yes, about eight years ago I was prepared publicly to express myself as of that opinion.

26,956. So it took you 17 years' study to become a bi-metallist?—I could hardly say that, because the question was not controverted in England until 1876, and at that time I had not looked very closely into the monetary question; I was more interested in the wages question at that time.

26,957. How long study do you consider a man should give to this subject before he would be competent to form an opinion on it?—It depends altogether on the person.

26,958. Take a man of ordinary intelligence?—I do not know whether one can answer a question of that kind, but I think six months' study, at all events, would be ample.

26,959. Supposing this Commission to report in favour of, or against, bi-metallism, would it shake your opinion in any way?—I think that question puts me in a very unfair position in the presence of the Commission. I am bound to say that I do not think anything could shake my opinion now; I think nothing but new facts, or new arguments, would shake my opinion; no statement of opinion would shake it.

Landlords and the appreciation of gold.

26,960. You say gold has appreciated 50 per cent.?—Yes.

26,961. I presume that you will take it from me that the rents in this country have depreciated about 40 per cent.?—Yes.

26,962. Do you think that this system of bi-metallism would benefit the landed interest?—I do not see that there can be any question of it at all.

26,963. Gold has appreciated 50 per cent.?—Yes.

26,964. Rents have depreciated 40 per cent.?—Yes.

26,965. Rents are paid in gold?—Yes.

26,966. Gold has appreciated 50 per cent.?—Yes.

26,967. And rents having depreciated 40 per cent., landlords, or the receivers of rent, are in a better position by 10 per cent. than they were 20 years ago?—Yes, that would be so, except this, that the value of a great many of the things which they buy with their rent has not depreciated in the same degree as the value of commodities.

26,968. Take the general question that gold has appreciated 50 per cent.?—Quite so.

26,969. Therefore landowners, according to your theory, of course I do not speak disrespectfully of it in the slightest degree, are in a better position by 10 per cent. upon their rent than they were 20 years ago?—I should put it this way, that their rent is worth, we will say, 10 per cent. more, measured in commodities than it was, that is, if your figures are right, and I accept them from you. This is not a question of theory, it is a question of facts. Perhaps I might say that rates and taxes, of course, have not diminished in the same proportion.

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26,970. My point is this: the purchasing power of the man's income has increased if gold has appreciated?—That would be a question of net income, would it not, not of his gross income in rents from his estates. I should like to set against that the outlay upon the estates, which has been much larger of late years, as far as my experience would go.

26,971. Basing it upon a broad general ground, it would appear, according to your theory, that landlords, as rent receivers, are better off by 10 per cent. than they were 20 years ago?—I do not know why you say "my theory," it is solely a question of fact.

26,972. I mean basing it upon the statement that gold has appreciated 50 per cent.?—Yes.

Effect of bimetallism on production of gold.

26,973. Would your legislation tend to make gold scarcer?—More plentiful, but less in demand so far as it goes.

26,974. Would it not also lessen the production?—That might be the ultimate effect, slowly. The first effect would be that you would have practically available the whole mass of silver on equal terms with the gold, and that would tend to make gold, for the time, very much more plentiful.

26,975. Would the ultimate effect be to make gold more plentiful?—Yes, in this way, because you would have access to the supply of silver for all the monetary purposes for which gold is now required, and therefore the production of silver being likely to be more plentiful, that would be the same thing as if the production of gold became more plentiful.

26,976. Have we not as much silver as we can use now?—Not in the way we propose to use it. I do not know that I have quite brought out that point; it is very important as clearing up a question between Mr. Giffen and myself. When Mr. Giffen speaks of the use of silver, I think he as often as not means coins, but I do not think for a moment that we should use more silver in that way. We should use silver to an unlimited extent in the way I have suggested, by purchasing it for reserves against the ordinary forms of currency—namely cheques and notes.

26,977. If you lowered the price of gold the natural effect would be to limit production?—Yes, so far.

26,978. That would tend to make it scarcer?—Yes.

26,979. Less gold in the world?—Less gold in the world.

26,980. Do you think that Government can by legislation overcome this natural law, that when you make an article scarce it becomes dear, and when you make an article plentiful it becomes cheap?—Yes, here, because this is a question of substitution. In the circumstances proposed it would be possible to substitute 20 ounces of silver for one ounce of gold, for all monetary purposes.

26,981. Do you think it is possible to make water flow against a stream—against a natural law?—Not as a rule.

26,982. Is it not also a natural law that scarcity produces high prices?—Yes. I think perhaps there is a little confusion, or at least the matter may be put in this way:—gold may be scarce, absolutely in the sense that there is not so much existing, but it may be scarce in another sense, that although there is a great deal of it existing, there is not so much as is wanted. In the conditions that you and I are assuming now, there would not be so much gold wanted, and there would not be so much gold produced, but there is no reason to suppose that gold would be scarcer in the sense of its value being greater; the demand would be diminished in a greater proportion than the diminution of the supply, or at all events in an equal proportion.

26,983. If you by legislation propose to make the Government, through the Mint, give *1s.* for *9d.*, according to the market value of silver, who is to bear that margin of *3d.* between the two?—We do not propose to do anything of the kind, because we do not assume for a moment the possibility of such a difference between the market value and the mint value as long as the Mint is open. How can the market value sink

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below the mint value at the time the Mint is open to purchase unlimited quantities?

Course of prices since 1873.

26,984. (*Mr. Chaplin.*) The chairman submitted to you a chart, from which he pointed out that there had been greater stability in prices during the last nine years?—Yes.

26,985. That chart also showed, I think, that since 1873 there had been an unprecedented and almost continuous fall in prices, of between 40 and 50 per cent.?—Yes.

26,986. You admitted that there was a rise in 1890 and 1891; was I right in understanding that that could be accounted for by the fact of the American legislation in support of silver which was passed at that time, or about that time?—I think that gave a general stimulus to speculation, and that the two together produced an inflation about that time.

Condition of labourers.

26,987. When it is suggested to you that labour has not been affected as you would think it would have been if the effects of the abandonment of bimetallism were such as you describe, you say that there are a hundred other circumstances affecting labour favourably, and quite sufficient to account for the fact that labour has improved its position, and that the wages of labour have risen?—Yes.

26,988. Would you name some of those very quickly without going into details?—I do not think I could very quickly. We all remember that the condition of the people question was only raised about the middle of the century by Kingsley and Carlyle, by whom public attention was attracted in a degree in which it never had been before, to the question of the condition of the working classes, and efforts on all sides were made to improve that condition. It is very difficult to single out anything in particular, because the whole tendency of social legislation and of public opinion since that time has been to improve the position of labour. I think that amongst the things may be mentioned trades unions, clubs, and benefit societies, savings banks, co-operative stores, national education, increased emigration, the greater ease of moving from place to place, better information as to the state of the labour market, and better dwellings and allotments.

26,989. Then a vast number of circumstances have occurred, quite sufficient in your opinion to account for the fact that the wages of labour have increased, and the position of labour has improved, in spite of what you consider to be the disadvantages arising from the monetary charges?—Yes, that is my view.

Diminution of pauperism.

26,990. With regard to the chart showing a diminution in pauperism, have you had any opportunity of studying it?—Not very closely; I have not seen it before to-day.

26,991. Do you know where it was prepared, or by whom?—I do not.

26,992. (*Mr. Dalton.*) Will you take it from me that the figures from which the chart was prepared were taken from the last annual report of the Local Government Board, and that Mr. Crawford, the Assistant Secretary of this Commission, has examined it, and that, so far as we can ascertain, it is accurate?—Yes, I will take that.

26,993. (*Mr. Chaplin.*) The chart, however, shows just as great a diminution of pauperism with rising prices prior to 1873 as it does with falling prices since then?—It rather bears out the argument that I was laying before the Commission just now, that the general diminution in pauperism is part of the general progress of civilisation which has been going on continually over the whole period.

26,994. (*Mr. Dalton.*) As to the first few years, when pauperism fell very much, although the prices were rising, they were years comparatively near to the passing of the new poor law, were they not?—Yes, they were.

26,995. I think that administration affected pauperism to a greater extent during those years than it has since; the Out-door Relief Regulation Order, I think, was issued in 1852, and certainly there has been less out-door relief given to able-bodied paupers since that date?—I understood that the whole principle of the Commission of 1834 was against out-door relief, even more strongly at the outset than afterwards.

26,996. For able-bodied paupers?—Yes.

26,997. More and more stringent regulations were made, terminating in the Out-door Relief, Prohibitory, and Regulation Orders under the Poor Law for the repression of able-bodied out-door relief to able-bodied paupers. The last of these orders was made in 1852; I think that a greater change was taking place in the administration of poor law relief during those years than has been taking place in the last 20 years?—I do not like to put my recollection against your knowledge, but I really thought that the Poor Law administration was more severe at first just after the Amendment Act of 1834, and that subsequently it was rather relaxed.

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26,998. (*Mr. Chaplin.*) In view of the fact that it shows just as great a diminution of pauperism with rising prices as it does with falling prices, on general grounds, I suppose, you would not attach any special importance to this chart as bearing on the question of a rise or fall in prices due to monetary causes?—I may say that, as a matter of fact, it was exactly the chart which I expected to find; I expected to find a practically continuous diminution of pauperism over the whole period from 1850.

26,999. (*Mr. Dalton.*) It goes up in the Cotton Famine year—in the same year when the prices go up, and it follows rather closely the line of prices in the year 1859?—That would mean that the commercial crises of those years brought about a little pauperism—in the years immediately after the crisis of 1857.

Evidence of results of monetary difficulties.

27,000. (*Mr. Chaplin.*) You were asked by the Chairman if you could show to the Commission any facts evidencing the serious results of monetary difficulties, and you referred, I understand, in reply to that, to the facts disclosed by the Commission on the Depression of Trade?—Yes.

27,001. Would you include agricultural depression, which is notorious as one of the facts confirming your views?—Certainly.

27,002. I suppose the very fact of the appointment of this Commission would give support to your statements?—I should have thought so. We might go a little further and include financial depression now; the depression is almost as severe in the City, on the Stock Exchange.

27,003. It is the fact, I believe, is it not, and within your knowledge, that whatever may have been the improvement in the condition of agricultural labourers throughout the country, there has been on the whole a great diminution in the amount of agricultural employment?—Yes. Perhaps I ought to say there that I think it is only fair to admit that we should have expected some diminution in consequence of the improvement of machinery, and the introduction of labour-saving machinery.

Trades unions and bimetallism.

27,004. Did I understand you to say that the opinions you have expressed on this subject are shared by the Parliamentary Committee of the Trades Unions?—They certainly passed a resolution calling upon the Government to take steps to bring about the adoption of international bimetallism. That resolution was taken after a debate on the question of some eight hours.

27,005. (*Mr. Giffen.*) Had they all given the six months which you consider expedient to the study of the question?—Some of them have given six years, and more. Their own paper, the "Cotton Factory Times," is very ably served with articles on the monetary question, and has been for many years, many of them written by the workmen themselves, but some of them by experts.

27,006-7. (*Mr. Chaplin.*) Did the gentlemen who expressed these views at the Parliamentary Committee of the Trades Unions speak as the representatives of labour in the north of England?—I think it is generally known how far they represent labour. I always understood that they were the most important representation of labour from a parliamentary point of view.

27,008. Then may I take it from you that these representatives of labour, being a very important body, regard the result of the monetary changes which we have been discussing here as most injurious to their interests?—I think so. Of course they have taken it to some extent upon trust; they have taken it upon the opinions of those of their number who have gone into the question very fully indeed; who have weight with them, and in whom they have confidence, and who have explained to them in some degree the general outlines of the question.

27,009. When you speak of the members of the trades unions who have really examined into this question,

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and whose opinions they have taken upon trust, are you able to say from your own knowledge whether they are men of ability?—Yes.

27,010. Who have really given to the subject adequate study and attention?—They are men who are able to make very effective speeches on the subject, and very able speeches.

27,011. Who give you the impression of having mastered the question?—I do not mean to say that they would master the details about the agio and the seignorage, and matters of that kind, but they certainly thoroughly appreciate the broad outlines of the question, and the way in which it affects Lancashire industries, which is the point which naturally interests them most.

27,012. They would not stand cross-examination by Mr. Giffen, but for all other intents and purposes they are well acquainted with the subject?—I think they would be able to give a very good account of their views.

Effect of appreciation of gold on debts due to the country.

27,013. The Chairman referred to the fact of this country being the great creditor country, and he asked you whether it was not an advantage to the country being in that position that the 100,000,000*l.* of debt per annum has appreciated in value, and I think you replied to the effect that that was not so, because you were apprehensive of a constant and continuous fall in prices?—I think the answer I gave was practically this, that the appreciation in the weight of those debts, the increase in the weight of those debts, was injurious to the debtor countries; that it obstructed their development; that it prevented the further investment of English capital in those countries, and that in many cases, all over the world, it has led to repudiation and bankruptcy on their part, and that on the whole we do not benefit by any unjust increase—any arbitrary increase—brought about by currency movements of that kind, of the debts owed to us by our debtors.

27,014. Do you think that if by the effects of a constant and continued fall in prices we continually increased the burden of that debt to them, it may become so great that ultimately they may not be able to discharge their debt at all?—That has been the case in many instances.

27,015. And you are apprehensive that that may continue in a greater degree in the future?—I should hardly say a greater degree, because, as I understand it, further investment in these countries has almost ceased.

27,016. With regard to these investments which have been already made, you are apprehensive that they may be in greater danger in the future than they are at present?—The difficulties would increase certainly.

27,017. Many investments have been made by this country, for instance, in American railroads, is not that the case?—Yes.

27,018. And to a large amount?—Yes.

27,019. Is it not the fact that a large proportion of the American railroads, one-third of them, are now said to be in the receiver's hands?—Yes, it is so.

27,020. Do you know anything upon the subject of land mortgages in America, in which a great deal of English capital is invested?—I have taken the figures out; they are just returned by the census. I cannot speak very well from memory, but I think something like 20 per cent. of the value of those properties is mortgaged over the whole of the States. I have the return here.

27,021. In fact, although it may at first sight appear to be greatly to the advantage of the creditor country that the material or commodity in which the debtor countries are bound to pay their debts to it should greatly increase in value, there is this other side to the question, that it may lead to the losing of the investments altogether?—Yes.

27,022. And that has been shown already to some extent by bankruptcies and repudiations in different countries?—Yes.

Objects of bimetallism.

27,023. With regard to what you said to the Chairman as to your chief objects, namely, that the first object was to check the fall in prices, and the second to get the greatest available stability in the standard, you replied in answer to him, that the ratio which you had suggested was 20 to 1, but you are not in any way, I understand, committed to that specific ratio, are you?—I explained that it was merely my personal opinion on the facts now before me.

27,024. Then you were asked this question: who was to decide as to what the ratio should be; surely that would be as a matter for the different nations to settle among themselves when the matter came to be seriously considered?—Yes, I suppose so.

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Determination of the ratio.

27,025. It is not a matter upon which any one nation could take a decision without the consent of the others?—Clearly not.

27,026. Are you of opinion, once it had been found possible to establish a ratio, that it should be altered from time to time, or that it should be left so arranged that there would be possibilities of altering it from time to time if the necessity arose?—I certainly should not contemplate a constant alteration in the ratio; that would be intolerable; but no one can say that some convulsion in the circumstances of the production of the metals might not make it desirable to modify the ratio at the end of a century, perhaps, or at the end of half a century.

27,027. (*Mr. Giffen.*) Or at the end of a quarter of a century?—For instance, there might be the absolute cessation of any production of gold; supposing circumstances of that kind came about it might not be worth while to keep up a system which was nominally a gold and silver system.

27,028. (*Mr. Chaplin.*) I suppose the fact that it had been found possible, if it were found possible, to establish and maintain a ratio on one occasion would lead to the belief that if it was desirable and necessary it would be equally possible to alter that ratio?—Certainly; and I should say we should not start upon an operation of this kind having in prospect a further adjustment; we should leave the possibilities of the future to the future.

Effect of a ratio of 1 to 1.

27,029. You will understand that I have put these questions to you at the request of another member of the Commission. I want to ask you now a question upon a suggestion made to you by Mr. Giffen in his cross-examination. He said, why not make the ratio 1 to 1? Is not the answer to that proposal conclusive, that it would lead to such an enormous rise in prices?—I should have thought so.

Estimated weight of gold and silver in existence.

27,030. Can you tell me what the estimated weight of silver in the world and the estimated weight of the gold in the world, very roughly, is, it does not matter how roughly?—This is an estimate made by Mr. Hucks Gibbs. He estimates the stocks of money by weight to be, silver 3,480 million ounces; gold, 226 million ounces. Now if you calculate those at the rate of 15½ to 1 they come out, silver, 870 millions; gold, 880 millions. Those are substantially Soetbeer's figures.

27,031. I am very slow at making calculations; can you tell me how many times the weight of gold is the weight of silver?—It is the other way; the weight of silver is almost exactly 15½ times the weight of gold, as you will see from those figures that I have given, 870 millions and 880 millions. There is just that difference.

Effect of a ratio of 1 to 1.

27,032. Then the effect of making the ratio 1 to 1 would be precisely the same as if you added to the gold in existence by about 15½ times more?—Yes.

27,033. I think it is a fact, is it not, that when the great gold discoveries occurred about 40 years ago, in the course of a comparatively short number of years they practically doubled the amount of gold in existence?—I could not say, speaking from memory. I do not know. I think it would probably be quite as much as that.

27,034. That increase had the effect of raising prices something like 40 per cent. or 50 per cent., or, at all events, was followed by a rise in prices?—By a very considerable rise.

27,035. Whatever it was, something like 40 per cent., was it not?—Yes, something like 40 per cent., but not quite that. You might say 30 per cent., roughly.

27,036. Then the effect of adopting any suggestion of that kind would have been to multiply the gold by 15½ times, and consequently to raise the prices of commodities?—I would rather put it the other way; multiply the silver by 15½, which would be increasing the value of the silver 15½ times.

27,037. It would mean, of course, a fabulous rise of prices?—It would create a rise of prices which would ultimately result in lowering the real value of silver, as well as of gold, and so checking the supply of both metals.

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27,038. At all events it would create such a rise in prices that no one could dream of such a ratio as that?—Of course the adjustment of the ratio is entirely a question of the effect on prices.

Bimetallism and past and future contracts.

27,039. It is not a practical proposition. Now with regard to the question of contracts you were asked whether it would not be very unfair by the changes which you propose to affect contracts which had been made in the past. Is it not the case that contracts were all altered in the same way by legislation passed in the year 1816?—Yes, they were no doubt seriously altered by the return to cash payments then enacted.

27,040. Contracts have also been altered in every country in Europe in the same way where these monetary changes have been recently made?—Yes, undoubtedly.

27,041. Is it not the acknowledged right of any country to choose for its standard whatever appears to be best suited to the general interests of the community?—Yes, I understand that the regulation of the standard has always been considered to be a matter for Government control and State adjustment.

27,042. And even if these contracts were altered in the mode in which the chairman indicated, I think, as being probably unfair and injurious, even then I understand that people with contracts made since 1873 would only be placed in precisely the same position as that which is occupied now by the people who made contracts prior to 1873?—Exactly.

27,043. Of course contracts of that description are altered and affected by any additions whatever to the standard metal of the country?—If you mean any alterations in the production of the metals, in the supply of the metals, certainly.

27,044. Yes, I mean in the additions; for instance, contracts would equally be altered by any large additional discoveries of gold?—Certainly.

27,045. But no objections are taken to that, I understand?—Apparently not.

Indian monetary legislation.

27,046. Some questions were raised as to the probability of there being an increasing appreciation of gold, and the question was asked with regard to India, was it not authoritatively stated that the object of the recent legislation in India, by closing the Mints, was to establish a gold staudard?—Yes, I think undoubtedly the establishment of a gold standard was the object.

27,047. That was authoritatively stated, I think?—Yes.

27,048. Then we have no ground for assuming at present that the Government are likely to revoke that proposition, and thereby to give us any hopes that the appreciation of gold may discontinue?—No. As it is the doubt would arise as to whether they could maintain a gold standard without a gold currency or without any considerable reserve of gold.

27,049. The chairman was rather asking you questions which appeared to me to indicate the opinion that there probably might be a cessation of this appreciation in the future?—Yes.

27,050. Are you of opinion that that is likely to occur from anything that you can foresee as likely to happen in India within the next few years or not?—Certainly not from anything that is likely to happen in India; there can be no question of that.

27,051. Unless the Government revoke altogether the legislation that they have quite recently carried?—Yes, unless the legislation fails in some way or breaks down.

Effect of increased prices of gold and silver on production of those metals.

27,052. I wanted to ask you a question with reference to something else Mr. Giffen put to you. He asked you this question: Would not the increased price of silver greatly increase the production of that commodity? The question I want to ask you is this: Is it not the case that the production of the metals does not by any means altogether depend upon the prices which they command?—Yes.

27,053. Does it not depend to a great extent on the accidents of discovery and on the gambling instincts of mankind?—Yes.

27,054. Are you aware that evidence was given before the Gold and Silver Commission to this effect, that all the gold and silver in existence in the world at the present time was estimated to have cost in production a great deal more than it is actually worth?—There is no doubt whatever about that; it was pointed out by Jevons long ago from his personal experience in Australia, even at the most flourishing time, that on the average each miner did not produce more than half as much gold as his wages cost.

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27,055. And it does not therefore follow that an increased price for either of these metals would necessarily increase the production?—It does not follow. One would of course expect some influence of that kind. But I did point out in regard to silver that in the period from 1810 to 1830 the value of silver rose very considerably owing to the fall of prices, but the production of silver fell off from 7·7 millions a year to 3·6 millions. Of course there were explanations of that.

27,056. (*Mr. Giffen.*) That was the revolutionary period in South America, was it not?—That would have some effect, but I do not think that would cover all the period. It would not cover the period down to the end of 1830, I think, but even if you take the period of 1849, when the fall had been in progress for 40 years, then the production of silver was only exactly the same as it was at the beginning of the century, 7·8, as against 7·7. It is very much a matter of accident.

Changes in standard in money.

27,057. (*Mr. Chaplin.*) It has been stated in evidence this afternoon that the Government of this country has made no changes in prices by alterations in its standard money, but it is the fact, I think, that the Government of this country has made changes in India which have undoubtedly had that effect, and that it has made them quite recently?—Yes, and if you go back to 1816 you will find that there was a distinct change made then in the standard money.

27,058. When the mints in India were quite recently closed one of the avowed objects of that policy, I think I am right in saying, was to give a scarcity value to the rupee?—Yes.

27,059. That is your distinct recollection as well as mine?—Yes, I think so.

27,060. As a matter of fact it is the case, I think, that it has given the rupee a greater value than it would have had at the present price of silver if the mints had remained open?—At the present price of silver, undoubtedly

27,061. And so far it has affected prices?—Yes, inland prices.

27,062. Then, as a matter of fact, the very thing in principle has been done by this Government, which it was suggested would follow upon your proposals if they were adopted by them?—Yes, and with the same object, namely, to maintain stability of prices.

Effect of bimetallism on past and future contracts.

27,063. It was then suggested that it would be a great injustice to enable a debtor to pay a debt in one metal which he had contracted to pay in another; do you see how, or in what way this would inflict an injustice upon him?—No, I do not. I have already said that if there had been a specific contract to pay in a particular metal it might be well not to interfere with specific contracts; but if it was a contract to pay in money of the realm I see no difficulty. As regards what has so often been said as to paying in the cheaper metal, there would be no payment in metal at all as I understand, but there would be payment in bank paper, notes and cheques, just as there is now. Nobody could say what metal the paper was based upon any more than a Frenchman can say when he pays his debts whether the note he pays them in is based on silver or on gold, it is based on 70 millions of gold and 50 millions of silver, but nobody can say he is tendering silver or he is tendering gold; he is simply tendering bank paper, that is, legal tender paper.

Function of precious metals under bimetallism.

27,064. Apart from that, what you would contend, I suppose is this, that if the bimetallic policy was adopted there could be no such thing as a cheaper or dearer metal, as the precious metals would always maintain their relative value, and each would perform all the functions of the other?—Yes.

27,065. (*Mr. Giffen.*) All the functions?—Well, not perhaps all, because token coin—the sixpence for instance—must be made of silver.

27,066. (*Mr. Dalton.*) But for purposes of the Arts?—And for purposes of the Arts; but we are speaking of the monetary functions, I understand.

27,067. (*Mr. Chaplin.*) Yes, of the monetary functions?—We should, of course, want a little gold for the heavier coins that we use, but if we had one-pound notes that would not matter very much; that would become a point of indifference to us. But supposing we had no

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one-pound notes, we should want gold for that purpose, just as we want silver for the sixpences. But as regards the great mass of the Bank reserve, it would matter nothing in which metal it was held.

27,068. (*Mr. Giffen.*) Do you state that from a banker's point of view?—Yes, I have had the opportunity of many conversations on that subject with directors of the Bank of England, and I think I may venture to say this, that no objection would be brought on the part of the Bank of England to any proposals of that sort—not by a majority of the directors at the least.

Law of legal tender.

27,069. (*Mr. Chaplin.*) Now I want to ask you one or two questions on the question of legal tender, and then upon the disputed point as to whether open mints do not create an unlimited demand for either metal. With regard to legal tender, that question is covered, I think, by the Coinage Act of 1870?—Yes.

27,070. Are you acquainted with Clause 6 of that Act? I should like, in order to have it upon the notes, to read it. Clause 6 runs: "Every contract, sale, "payment, bill, note, instrument of security for money, "and every transaction, dealing, matter, and thing "whatever relating to money, or involving the payment "of, or the liability to pay any money, which is made, "executed, or entered into, done, or had, shall be made, "executed, entered into, done, and had according to "the coins which are current and legal tender in pur- "suance of this Act, not otherwise, unless the same be "made, executed, entered into, done, or had according "to the currency of some British Possession or some "Foreign State." Now, I understand that it is under that Act that the law of legal tender is in existence, and is enforced at the present time?—Yes, but it is supplemented by the law of legal tender of bank notes in the Bank Charter Act of 1844.

27,071. When it is suggested that this very serious contingency might arise, that bankers or others might refuse to take silver, the answer, I assume, is this, is it not: that they are obliged to take it by the law, and that they would be obliged to do so by the law if either the silver metal or the gold metal is made legal tender?—Yes.

27,072. So that the difficulty arising from the possible contingency of the banks refusing to take silver is disposed of by that law?—Yes, I think so.

Open mints and demand for precious metals.

27,073. Now, with regard to the question of the unlimited demand not being created by the open mints, if I am rightly informed, this question is provided for by the Act of 1844, and also by the Coinage Act of 1870. The Act of 1870 provides as follows in Clause 8: "Where any person brings to the mint any gold bullion "such bullion shall be assayed, and coined, and "delivered out to such person, without any charge for "such assay or coining, or for waste in coinage." Is it not the case then, that, under this Act, any person finding the metal which is the legal tender of the country has the right to take it to the Mint, and having taken it to the Mint, they are obliged to return it to him coined?—Yes.

27,074. In that sense there is always an unlimited demand for the metal provided by this open mint, which does not depend in any degree upon the country, or its desire or its capacity to take it, but upon the wish of the person who has found it, and who chooses to take it to the Mint?—Yes, that is so.

27,075. Then with regard to the Act of 1844, are you acquainted with the provisions of Clause 4?—Yes.

27,076. They are as follows: "And be it enacted that "from and after the thirty-first day of August one "thousand eight hundred and forty-four all persons "shall be entitled to demand from the Issue Depart- "ment of the Bank of England Bank of England notes "in exchange for gold bullion at the rate of 3*l.* 17*s.* 9*d.* "per ounce of standard gold." You are acquainted with that?—Yes.

27,077. Does it not follow from that provision that any person preferring to have notes instead of the actual metal returned to him in the form of coin has the power of taking any quantity of bullion he pleases to the Bank of England and there receiving from them bank notes in exchange for it to any extent, quite irrespective of either the wish or the desire, or the capacity of the country to take it, but depending entirely upon his own will?—That is so.

27,078. In that sense is it not clearly established that the Mints, being open by law in the sense that I have described, do provide an unlimited market for any amount of either metal if those metals are referred to in this law?—I do not understand how it can be disputed that those clauses which have been read do provide an unlimited market.

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27,079. (*Mr. Giffen.*) But not a market, you get back what you take to the Mint—is that not the case? Gold is gold after it leaves the Mint as well as before?—It is legal tender when you get it back.

27,080. (*Mr. Chaplin.*) Having received in exchange for their bullion either bank notes or coin of the realm which is legal tender for debt, this is available, is it not, to those people for the discharge of whatever debts they may owe, or for the purchase of whatever commodities they may require?—Yes, that is so.

27,081. Is it not in that way that they go into circulation and increase and expand the volume of currency in the world?—Yes.

27,082. Is it not also the fact that in one sense this increased volume of currency creates the necessity for its own provision in this way: that the mere fact of a large addition of this kind to the currency of the world necessarily increases prices?—Yes, and might further stimulate trade and so cause an additional demand again, as happened in 1850.

27,083. Then it is an entire mistake to say that the demand for metals through the circumstances of open Mints is limited either by the taste, or the capacity, or the habits of the people, and that on the other hand the fact is this, that the quantity of that metal taken to the Mints depends entirely upon the persons who may be fortunate enough to find it and to be the possessors of it?—That is certainly my view.

Effect of bimetallism on demand for gold.

27,084. (*Mr. Dalton.*) I did not quite understand how bimetallism was to make gold more plentiful?—Did I use that expression exactly?

27,085. I took it down at the time?—Less scarce I should have said, because scarcity is a question of demand; it would lessen the demand for gold.

27,086. But would there not be the same demand for the arts as before?—Probably yes.

27,087. I think you calculate that that will very shortly take up the whole of the annual production?—Yes; it is not my calculation, but I believe it is an accurate calculation.

27,088. That is, supposing things go on as at present?—Yes.

27,089. But if there was a diminished production of gold, it would all be required for the arts at an earlier period?—Yes, that is so.

27,090. How is gold to become cheaper? It will be wanted for purposes of the arts, and I suppose a jeweller must give the market price for it, or he must discontinue his business?—You have 880 millions of it in existence already.

27,091. But there is an unwillingness to part with that now when the holders may get 33 ounces of silver for each ounce of gold; what inducement, therefore, would they have to part with it when they get 20 ounces of silver for each ounce; because I take it that that is what the result of bimetallism would be?—I do not understand what you mean by parting with it—who have it?

27,092. I understand a great quantity has been kept in reserve by the different Governments as bank reserves and for war purposes—in America, France, and Russia, and so on?—The difference is this; it would go to a slight agio, and they would wish to part with it in order to get this agio, which might be 1 per cent., or 2 per cent., and possibly 3 per cent., whereas they would get the silver without the agio in the circumstances you have assumed.

27,093. They are holding it all now?—Naturally, now.

27,094. For war purposes, and for one purpose and another?—Yes.

27,095. What reason is there to suppose that they will part with it then?—Because silver will be equally available for all monetary purposes under the new system.

27,096. But not so convenient?—There will be very little difference in the matter of convenience; it is a small matter. The cost of carriage is very little, if anything, more for silver than for gold, because it is a matter of *ad volorem*; it passes by its value, and not by its weight.

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27,097. Then you think by declaring this ratio you would reduce it to that value?—Yes, I think so, undoubtedly; it all hangs on that.

Explanation of climbing ratio.

27,098. I do not think we have had an explanation altogether of what the climbing ratio is. I think you referred to it in your answers to Mr. Giffen; what is it precisely?—It is a suggestion which has been made. It is that the mints of the contracting countries should undertake to buy silver at a rate to be increased by one-twentieth of one per cent. per week.

27,099. Per week?—Yes, per week.

27,100. It would be very soon over then?—One-twentieth per week would be very nearly 2½ per cent. per annum. The reason for making it 2½ per cent. is to prevent any speculation in silver with reference to the future rise in value. It would not be worth while to buy silver for the sake of a 2½ per cent. advance. That was a suggestion which was made by merchants in Manchester as one that would meet their purposes exactly.

27,101. How long would it take by that process to bring down the ratio from 34 to 1 to 20 to 1?—I have not worked it out, and I could not tell you.

27,102. Weeks or years?—Years, of course.

27,103. (*Mr. Giffen.*) Years?—Years, undoubtedly.

27,104. (*Mr. Dalton.*) Then the ratio would be varying from week to week?—Steadily; by an ascertainable amount.

27,105. Then, when this metal is taken to the Mint, when the silver is taken to the Mint to be coined, you get for it paper which is legal tender, at what ratio—at the ratio for the time being?—The note would be legal tender at any time for its face value; but the silver would be bought at the ratio for the time being established at the mints.

27,106. Varying from week to week?—Yes, varying from week to week.

27,107. Then every note that you had would be of a different value, would it not?—No.

27,108. If you pay in 5*l.* notes, would they be all of the same value?—The 5*l.* notes would be all of the same value, but, of course, the quantity of silver which could buy a 5*l.* note would alter from week to week; it would gradually diminish.

27,109. Then the value of a 5*l.* note would vary throughout the year?—No, not the value of the note once issued.

27,110. I understand it represents a certain amount of silver at one moment?—Yes.

27,111. Another amount at another moment, and so forth?—That is true; but it would be rated to gold. It would always be legal tender for 5*l.* It would always represent the same *value* of silver.

27,112. If a man took his bank note to the bank and insisted upon being paid in the metal, he would have a different amount for it from week to week; if he took several he would get a different number of bars of silver?—That might be subject to arrangement; it would depend upon what arrangement was made. The proposal is comparatively a new one and we have not had time yet to thoroughly work it out in detail.

27,113. I had not heard of this before, and I was trying to find out what it meant?—You might make an arrangement that he should be paid in bullion at the then rated value. I think it would have to be the then rated value at the time at which he presented the note.

Fall in gold value of silver.

27,114. I think in Part 2 of the Commissioners' Report they say that they consider the greater part of the fall in the gold value of silver has been due to causes affecting silver rather than to causes affecting gold?—Yes.

27,115. I think it is quite clear, from your evidence, that you would not agree with that?—I think that was entirely wrong.

27,116. They say that the first and the most obvious of these causes is the production of silver?—Pardon me, may I have the exact words again?

27,117. It is on page 79, paragraph 71: "The above "are reasons for thinking that the greater part of the "fall in the gold value of silver has been due to causes "affecting silver rather than to causes affecting gold"?—That might be interpreted in two ways. No doubt it is gold that has appreciated and silver that has remained stable, but the question is, what has caused the appreciation of gold, and no doubt when we come to that question the answer would be that it was the demonetisation of silver, and that is a cause affecting silver; so I really do not know exactly what the Commissioners meant by that sentence.

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27,118. They give a great number of causes, but they say the first and most obvious of these is the increase in the annual supply which has occurred during the period of the fall in the gold price of silver. Then they give the figures as to that on page 3 of their Report?—If they suggest that the fall in the value of silver is really due to the increased production of silver I should disagree with them.

Production of silver since 1851.

27,119. We have not had, I think, before us the figures as to the increased production of silver from 1851 to the present time?—Here they are on that paper. I think they have been mentioned (*handing table to the honourable Commissioner*).

27,120. It has increased, I believe, without intermission year by year has it not?—No.

27,121. Well, taking it in periods of five years?—Probably it would be so in periods of five years.

27,122. At page 3 of the Commission's Report they give the amount produced in kilogrammes as being 886,115 for the average production for the five years 1851 to 1855 inclusive, but when they came to the date of their Report for the five years 1881 to 1885 it was 2,861,709 kilogrammes?—Yes.

27,123. That was more than three times as much?—I do not follow; 140 per cent. is the usual estimate I have seen of the increase since 1873.

27,124. Those are the figures in the blue book. But the increase, as far as I can make out, since has been very much greater. I asked Mr. Crawford, the Assistant Secretary to this Commission, to work the figures out for me, and I find that the greatest increase has taken place since that date?—It has been rather more rapid, I think.

27,125. Is it not very strange that you have that very steady and continuous increase in the production, notwithstanding the fall in the value of silver?—It is rather; but I have always held that as regards the precious metals you could not rely on the production following the alteration in their value very closely.

27,126. This seems to point to the conclusion that silver is more plentiful at the present time—the production has continuously increased over a very considerable period?—You must remember this, that although you speak of the fall in the value of silver, silver will buy nearly as many commodities all over the period you have mentioned down to 1885, and that the value of silver in commodities has not fallen.

27,127. But since 1885 the production has increased still more rapidly?—Yes, down to 1893.

27,128. 1892 rather; the 1893 figures we have not got yet, I think?—Up to 1893 there was no substantial alteration in the real value of silver, and therefore there is no particular reason why the production should have fallen off.

27,129. At any rate there was nothing to stimulate the production of it. The production has increased notwithstanding that gold was becoming scarcer and silver more plentiful?—Yes, and I think that is likely to be the case generally, and I think that is my principal reason for desiring to see the bi-metallic tie re-established.

Effect of increased production of silver on the ratio.

27,130. Does that not make it much more difficult to maintain the bi-metallic tie?—I do not see that. It is my principal reason for desiring to see that tie re-established, because I think it is only by associating silver with gold that we shall have an adequate supply of money. You suggest that gold might go out of circulation altogether perhaps.

27,131. No; I am suggesting that if it is becoming scarcer every year, it is difficult to see how the price can permanently be kept down?—I think it is barely possible that gold might go permanently out of circulation, but then if so it would be in such a case that if we were relying on gold simply, the commercial operations of the country would be practically arrested.

27,132. I was rather thinking of its market value for the purposes of the arts. How is it to fall when in this way there will be a possibly increased demand for it?—Possibly, yes.

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27,133. And there would be less to meet this demand, except this gold which is at present stored up in reserves?—Yes.

27,134. Your idea is that those reserves will be broken up, and that gold will be sent away for silver?—It is quite conceivable; I think that we might come to a silver standard ultimately, but I see no harm in it On the other hand, in the conditions which you suppose, conditions which assume the total absorption of the gold by the arts, I want to know what would become of the gold standard.

27,135. I am thinking of the annual production?—Yes, of the annual production.

27,136. I understood from you that we were approaching that stage?—I am told that it is so.

27,137. Then if we are approaching that stage, the time will come when the annual production is all required for the purposes of the arts independently of monetary purposes?—Then in that case under a bi-metallic system we should be upon a silver reserve, and I want to know in what position you would be under a gold system in that case?

27,138. What I want to know is what becomes then of the market value of the gold?—In that case as soon as ever gold was driven out of circulation the market value would cease to be under any control whatever on the part of the Mint.

27,139. You think in the meanwhile, that, however near we approach that limit, the market value of gold would be controlled by this bi-metallic ratio?—As long as the two metals were both in circulation I think so, and I think when it came to the point that you refer to, there would be no anxiety whatever to establish a gold basis, because it would be seen clearly that a gold basis was out of the question altogether, and therefore, people would acquiesce in a silver standard.

27,140. There is one point with respect to the report of those Commissioners who maintain that a fixed ratio between the two metals was possible, about which I should like to ask you. I think you will remember that they were careful to guard themselves by saying that a stable ratio might be maintained in any conditions fairly to be anticipated in the future so far as they could forecast them from the experience of the past?—Yes.

27,141. Was not the experience of last year in the fall of silver altogether unprecedented?—But that fall was not due to production, it was due solely to legislation and to the power of legislation.

27,142. Was it not thus, that certain legislation gave way? I understood that the legislation in India was intended to raise the value of the rupee, and that the legislation in America was clearly intended to raise the value of silver; but that legislation gave way, did it not?—No. What I had in view when I spoke about the legislation of 1893 was the closing of the mints to silver on the part of India and the closing of the mints to silver on the part of the United States. Both those measures have been maintained and they caused a fall in silver which I should regard as partly a moral fall—a panic fall—not purely statistical. I do not think it can be accounted for altogether by considerations of demand and supply, because the production of silver has not increased.

27,143. But the production has been increasing for 40 years steadily?—Steadily, but there has been no sudden increase.

27,144. It is an accumulating process?—It is not an accumulating process in this sense, that there was no stock existing, no large mass existing, and available, which could be thrown on the market. The visible stock has always been small.

27,145. At any rate there was an unprecedented fall in the value of silver as compared with the value of gold?—Yes, undoubtedly.

27,146. Does that not come within what they say that they think the ratio might be maintained so far as they can judge by the experience of the past?—I think they were alluding to fluctuations in the productions of the metals, not to an alteration in the value brought about by legislation, because they proposed to stop that.

27,147. They say any conditions fairly to be contemplated in the future so far as they can forecast them from the experience of the past?—Such a circumstance as that which you have just been mentioning would be impossible under a bi-metallic system. The nations could not close the mints in the way suggested. The agreement would prevent that.

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27,148. When this agreement had been come to, it would have to be adhered to, however disastrous it might be to any particular country that took it up?—How it could be disastrous, I never have been able to see. Effect of bimetallism.

27,149. We have heard about England being a creditor country; we should receive less, for instance?—In proportion to the rise of prices we should receive a little less.

27,150. Our prices, I suppose, might rise to an injurious extent—I think you would admit that?—It would be possible if the ratio were badly chosen, undoubtedly.

27,151. Then there would be a possibility of the ratio fixed by the Governments being such a ratio as would be injurious to some particular country?—I do not think it possible that civilised Governments would choose such a ratio.

27,152. You think it would not be a leap in the dark, as the Commissioners suggest; you could so accurately foretell the effect that there would be no danger?—The expedient of the climbing ratio would give an opportunity of seeing that.

27,153. When they were working that climbing ratio they could not break it off if they had tied themselves to it?—It would be possible always, if the Governments felt that prices had risen sufficiently to stop the climbing ratio, to stop the progression.

27,154. That would require another agreement?—It would be likely to require another conference, but it is quite possible. I mean to say, you have it in your power to advance experimentally, if you wish.

27,155. As I understand, the proposal is to bring any quantity of silver to the Mint?—Yes.

27,156. And to give back for it paper which would be legal tender?—In all the countries concerned.

27,157. What would be the immediate effect of that do you think?—I suppose all the silver reserves would increase in all the European countries, or rather in all the countries agreeing.

27,158. England is the great silver market of the world; should we get more than our fair share brought to us, do you think?—I do not know why we should get more than our share.

27,159. To what extent, do you think, we should get it; they might bring an unlimited amount of silver there; if it came to a hundred millions, would you think it was about time to stop, or would you go to a thousand millions?—You would have too great a rise of price if it came to anything like that in a few years. Were you speaking of a hundred millions for the whole of the world, or for England.

27,160. I was speaking of a hundred millions for England?—Of course it would mean an excessive rise.

27,161. What has France got now?—France has 120 millions, roughly, of gold and silver together, 70 millions being gold, and 50 millions silver.

27,162. But, I suppose, France would increase its reserves?—Yes, certainly.

27,163. That would come to a hundred millions very soon?—The great part of that reserve of France is really in circulation, and they could not diminish it; it represents notes which are in circulation. They have more than 140 millions at the present moment out in notes.

27,164. But, if these reserves got above a certain amount, do you think the bimetallic tie would have to give way?—I do not think it would have to give way; but I think it would be a sign that the ratio for silver was fixed at rather too high a point.

27,165. And you would fix it then at a lower point?—As the ratio gradually rose, we could see whether the point reached was high enough or not.

27,166. If you had to alter it, would it not involve a very great loss to the Governments which had taken the silver at that price?—You would never need to go back, of course. It would be simply a question of stopping. Maintenance of the ratio.

27,167. No; supposing you had got down, we will say to 25, you might have to go back to 30. You might find you had miscalculated?—Surely not in progressing at so slow a rate as that. There would be no occasion to go back; it would be quite enough to stop at any point.

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27,168. Would not circumstances alter? Might not the gold become scarcer? Might you not find that these reserves became very much larger than you anticipated? What would you do if you had to do it; you would have to go back then if the tie had to be broken?—I do not think you would have to go back, because you would stop before you reached the point at which there was any danger.

27,169. But you could not stop suddenly. You would have to come to an international agreement?—An international agreement might be of this kind: that a permanent commission should be appointed to watch the various forms which the agreement might take.

27,170. You do not feel the smallest doubt that if you had this ratio, you could maintain it, and that the results you have indicated would necessarily follow?—I should like to put it in this way: that we could maintain the ratio in any conditions, except such conditions as would make a single gold standard an absolute impossibility. It is possible to assume a cessation of the supply of gold; a great diminution of the stock of gold. I admit that, and under those circumstances we probably could not maintain our ratio, and should pass on to a silver basis. But, on the other hand, it must be taken into account that under those conditions it would be absolutely impossible to carry on trade upon a single gold standard in any case.

27,171. Then you would pass from a gold to a silver standard?—We should pass gradually under the bimetallic system. You would have a catastrophe if you were on a single gold system. You would have what Professor Walras has described as a permanent state of industrial crisis. Suess has described it in almost identical words. Suess says there will be such a falling off in the supply of gold that if the world is going on a single gold standard you will have a permanent state of industrial crisis. I think he uses almost the same expression as Walras.

Climbing ratio.

27,172. You do not see any difficulty in working this climbing ratio?—I really did not submit that as a point on which I was ready to be examined. It would have to be gone into by practical men more accustomed to exchanges and monetary dealings.

27,173. You would either have to take that or to take a leap in the dark?—You would have to take what would be to some extent a leap in the dark, though you would have the experience of past history to guide you.

27,174. The experience might be fallible?—Yes.

Effect of a reduction of the ratio.

27,175. If you had to go back from 25 to 30 or from 25 to 26, and you had a large silver reserve, there would be a very heavy loss?—But much of that silver would have been bought at a much cheaper rate.

27,176. You would have given your notes on the understanding that you were bound to give 25 ounces of silver?—Yes.

27,177. And you might have to alter the ratio so as to give 26 ounces of silver or 27 ounces of silver for each ounce of gold?—But on the other hand you would have bought a good deal of the silver at the rate of 32 ounces to 1 ounce of gold at the beginning of the operation.

27,178. I am supposing that if you had not the climbing ratio?—I beg your pardon; let me consider it.

27,179. If you were taking, as we were saying, what was to some extent a leap in the dark, in reducing the ratio by taking 25 instead of 32, might not the Governments be involved in a very heavy loss?—My impression is that if the step was to be taken definitely once and for all the Governments would have to be on the safe side and would fix the ratio at a point, assigning a value to silver which was rather too low than too high.

27,180. Very near the market ratio of the day would you say?—Probably very near to the market ratio of the time.

27,181. At which they made the change?—Probably at that ratio.

27,182. Then there would be no rise in prices at all, I suppose?—Yes, because meanwhile, before you get to that point there would be a rise.

27,183. There might be?—In anticipation of it.

Bimetallism and depositors at banks.

27,184. If these holders of deposits in savings banks were anxious to draw out their money it would not be difficult for them to do so as their accounts do not average 15*l.* a piece; and if there was a panic, that would send up the price of gold very much; there are 120 millions in the Savings Banks?—It would be like when the Sherman Act was passed, not only was the effect discounted but it was much more than discounted as the event proved; the price of silver rose before the passing of the Act to a point which the passing of the Act did not justify, but it rose and rose rapidly. The withdrawal of deposits is a matter that I have never been able to understand, even in the case of the run on the Birkbeck Bank many people returned their deposit before the panic was over.

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27,185. There is no doubt there was a perfectly unreasonable run on the bank in that case?—So it would be in the case we are assuming, and one not justified by the market in any way.

27,186. That was the case of a number of poor persons in the same way as those whose savings are in these savings banks; and that shows that, whether right or wrong, they might make a similar run on the Savings Banks?—I have always admitted that you can never calculate what might be done from an ignorant impulse, but I think that much would depend on the confidence people had in the ability and foresight of those who are responsible for the change. It would certainly have to be be agreed to by the two parties in the State.

"Futures and options."

27,187. There was only one other matter on which I wished to question you, and that is not in connexion with bimetallism, but it appears on your brief. It is in regard to dealings in futures and options. We have been told by one witness that the greater part of the fall in the prices of wheat has been due to speculation in futures and options. Do you at all agree with that doctrine?—Of course, I have no special experience of those markets, but, looking at the thing from a general theoretical point of view, I see no reason whatever in the contention. As far as I can see, what is assumed is that speculation will generally be for the fall, and not for the rise. I should have thought that in all those cases it is necessary, to use a slang expression, to hedge such speculation, and that on the average there would be as much buying for the rise as for the fall. We have such speculations in consols and in various other securities, and I have never heard the suggestion made that it tended to lower the price of consols. I was inquiring the other day of an experienced member of the Stock Exchange as to whether he did not think that perhaps on the Stock Exchange itself, amongst the experienced dealers, there would be more speculation for the fall than for the rise, on the ground that the public would generally speculate for the rise in the ordinary straightforward way and that the expert would therefore speculate for the fall. But it was pointed out to me that there were grave difficulties in the way of speculating for the fall. Those who speculate for the fall are apt to be cornered, and my informant, who was a man of great experience, said that in his opinion there was very much less speculation for the fall for that reason. On that ground I should have thought that there was no reason for presuming that dealings in futures would, on the whole, lower the price more than it would raise it.

Great Britain and bimetallism.

27,188. (*Mr. Gilmour.*) Is it the fact that Great Britain has been the only country that has stood in the way of the adoption of the bimetallic system?—So far as I am able to judge, such countries as now occupy a somewhat cold or neutral position on the subject would gladly follow the lead of Great Britain if Great Britain made the least sign in the direction of the bimetallic system.

27,189. (*Mr. Giffen.*) Has it not been the case to some extent that some countries who are not very much in favour of bimetallism themselves have rather sheltered themselves behind Great Britain; I think that is the state of opinion?—Yes; and the example of Great Britain naturally has enormous weight with continental nations on account of our commercial position.

International bimetallism.

27,190. (*Mr. Gilmour.*) To carry out this bimetallic scheme, is it absolutely necessary that all, or almost all, the great nations of the world should enter into this international agreement?—I do not know whether it would be absolutely necessary; but, personally, I should not like to embark upon a bimetallic system without a union of the five greatest nations.

27,191. (*Mr. Giffen.*) The great authorities of bimetallism like Wolowski, Cernuschi, and Mr. Dana Horton, I think, were all in favour of a smaller consortium of nations doing it if they could be persuaded to

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do it?—What they thought was that as the Latin Union (or rather, as France, for we may leave the Latin Union out of it) had single-handed been able to maintain the ratio over the century up to that date, there was no particular reason why she should not continue to do so; but that was on the assumption, I think, that the *status quo* was maintained, that the chief silver-using nations remained silver-using nations. I do not think that even Wolowski would have held that view if he had supposed Germany was to become a gold-using nation.

27,192. Is it not quite clear that if France and the United States alone were to go in for bimetallism, their position relatively to all the other countries would be much stronger now than that of France was alone before 1873?—Yes, I think probably that would be so; America has increased so much in importance.

27,193. So that this idea of one nation waiting upon another, if there is much in bimetallism, has not much to be said for it, and if they had the courage of their convictions they might do it at once if they liked?—They have been very much influenced by the fall in the gold value of silver since 1873; a fall not previously met with in monetary history.

27,194. That has frightened them?—That has shaken their confidence possibly to some extent.

27,195. (*Mr. Gilmour.*) About gradually getting this ratio fixed; would the mere proposal of having such a union and of having it effective, naturally make the price of silver rise, but somewhat gradually, up to the ratio you mentioned?—It might make a very rapid rise. It would unquestionably have some effect. Many to whom I have spoken on the subject think that the effect would be so great and so rapid that the Governments would have to provide against it by saying that they propose to start upon the average of a certain number of given years, so as to prevent this speculation for a rise.

27,196. (*Mr. Giffen.*) That is a matter of speculation?—It has been put forward a good deal, I think, by business men. I may say that it has been put forward by those who are friendly to bimetallism.

27,197. That is on the supposition that there would be a much larger demand for silver after the thing came about than there is now?—Undoubtedly; it all depends upon the point we were discussing as to the unlimited demand.

Bimetallism and contracts in money.

27,198. With reference to that clause about legal tender, which Mr. Chaplin read to you on a previous question, is it not the case that in the questions before the Gold and Silver Commission, the bimetallists there were asked whether, under the *régime* that they proposed, it would be lawful to make contracts in silver money or in gold money, and not simply in money; and was not the answer, that they contemplated a state of things in which it would be lawful to make contracts either in silver money or in gold money, not in money simply?—I do not remember that, but I should prefer that myself; I should prefer freedom.

27,199. I mean that is how it was put officially?—Very likely; I am not prepared to say.

27,200. Is it not the case that in America, where there have been experiences of different moneys, that you may have contracts there either in money simply, which under the *régime* of inconvertible paper were payable in paper; or that you might have contracts in gold, or that you might have contracts in silver; and that the Courts would enforce under the general law of the United States either the one or the other, as the case may be?—No doubt, if they were specific.

27,201. That rather gets over the point which Mr. Chaplin made that under our present law we define what money means. Under the bimetallic system you might have two kinds of money really, and contracts in either one or the other would be quite legal?—But they would have to be specific contracts, they would not be general contracts in money, they would be contracts in a metal.

27,202. In specific money?—In a metal which was also used as money.

27,203. They would be contracts in lawful coin, but in a particular kind of coin as I understand; they would be enforceable in the same way as any other contract in money?—I think it is only fair to observe that the reason why you have gold bonds, for instance in America, is because of the uncertain position of silver.

27,204. They arose at the time when the uncertainty arose from paper?—From inconvertible paper; but that would not happen, of course, if you restored silver to an accredited position. The reason for a gold bond as against silver would not then arise, but you might have a cash bond as against paper.

27,205. This is a new point which is being dealt with. Is it not the case that the gold bonds are issued in the United States because they are afraid that silver would be made the lawful money of the United States as well as gold?—I do not think there is any such fear.

27,206. There is most undoubtedly?—You mean a fear of the adoption of bimetallism by the United States alone?

27,207. There is an apprehension of the adoption of bimetallism by the United States as I understand?—Alone?

27,208. There is also an apprehension of the United States going over to a silver standard by force of circumstances?—Yes.

27,209. For which reasons, and on account of the general apprehensiveness, contracts are now made specifically in gold?—I can understand that very easily. It is our object to put a stop to that period of apprehension as regards the future of the metals.

27,210. Still, while the agitation is going on, there is apprehension, and you do stimulate that apprehension while that agitation goes on?—Yes.

Monetary legislation in India.

27,211. Then with reference to the proceedings in India, to which Mr. Chaplin referred as a case in which the British Government has altered monetary legislation so as to affect prices; is it not the case that the conduct of the British Government in that matter, which does not apply to the United Kingdom, has been considered highly reprehensible by all the authorities, I think, on the subject, and as being quite contrary to the principles of monetary legislation in the United Kingdom itself?—I could not say that, I think.

27,212. It is quite contrary to anything that was ever done in this country itself, for many, many years?—You mean the restriction of mintage?

27,213. I mean the restriction of mintage, and the raising of the denomination of the rupee?—Yes; we have never done anything of the kind lately. I do not think as a matter of principle that there is a theoretical objection.

Views of authorities as to changes of standard money.

27,214. Although as a matter of principle—this is with reference to another question which Mr. Chaplin put to you—the regulation of standard money is within the competence of Governments, yet, as a rule it has been held, I believe, by the best authorities on the subject, that changes of standard money should not be frequent, and that they are rather to be deprecated than otherwise?—Undoubtedly.

27,215. That a very strong case indeed must be made out for any change?—Yes.

27,216. And some great authorities, like Locke, have deprecated any change whatsoever; they have gone so far as that?—Locke made a very great change.

27,217. But still he deprecated any change; that was his idea?—He might have deprecated it, but in the circumstances, what he proposed and carried amounted to a very great change.

27,218. But he did not do it as thinking that it amounted to a change; he deprecated the principle of change?—We should all deprecate the principle of change as far as possible; but what he did was to change the value of the current money of the country.

27,219. That is a specific charge against Locke; but yet it does not affect the principle which Locke laid down that there ought to be no change?—I should like to put this to Mr. Giffen: Supposing, for instance, the supply of gold fell off altogether, would there be any ground for a change?

27,220. I am not saying that I approve of Locke; I am merely wishing to get it on record, first of all, that the authorities on the subject rather deprecate change, and that, as a matter of fact, an authority like Locke has gone the length of saying that there ought to be no change at all. I am not saying that I agree with that extreme view?—But in practice he made the change.

Effect of ratio of 1 to 1.

27,221. Then, with reference to the ratio of one to one, which was suggested, your objection to it is, that it would cause such a great rise of prices?—Yes.

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27,222. But would it cause a rise of prices? Suppose the ratio to be one at which no gold would remain in circulation at all in the sense that you speak of; would not all the prices become silver prices?—Yes; but even so, they would be largely inflated.

27,223. Is that so?—You would be multiplying the mass of silver practically by increasing its valuation 15½ times.

27,224. Would not all debts become silver debts, and all bargains be made in silver, and the value of silver with reference to commodities would be settled as the value of gold now is in this country with reference to commodities?—Yes; but an ounce of silver would be able to discharge a debt which formerly would only be able to be discharged by an ounce of gold.

27,225. Suppose all the previous debts had been dealt with, the moment that happened everything would be upon the basis of silver pure and simple, as at that ratio gold and silver would not circulate side by side?—Even so, silver prices would be very high, would they not?

27,226. Are you quite sure; have you thought out that matter thoroughly?—The absolute disappearance of the gold? I always estimate prices in reference to some existing contracts. You are rather assuming that there would be no existing contracts; that there would be an absolute dislocation in our commercial history.

27,227. It is a mistake altogether to estimate with reference to existing contracts; we should rather estimate with reference to contracts that are to be made where people are free to exchange the metal which they have against the commodity which they wish, or *vice versa*?—I do not know how you can separate yourself from existing contracts very well; there are prices, salaries, rents, and so on.

27,228. But money is required as much for making new contracts as for fulfilling existing contracts?—Yes.

27,229. You can separate them quite well in that way?—But you see you are altering the value of silver in relation to commodities by your legislation.

27,230. I think the valuation of silver in relation to commodities will always depend upon the bargains which people make?—I certainly have never contemplated this absolute separation from past history, that you suggest now. I should like to have time to think over the effects of it. It is a curious suggestion. It is quite impossible, of course.

Market ratio and mint ratio

27,231. Is it not the case also that a considerable quantity of gold might remain in use, partly for hoarding purposes, and partly for circulation, but not at the legal ratio; it might be at a different market ratio. And what is to prevent that?—I should have thought what would prevent it would be this: that any man who had a debt to pay would not be likely to pay it in a metal which you say was at a premium; he would pay it in a metal which was not at a premium, and he would sell the metal which was at a premium.

27,232. Apart from the payment of debts, both gold and silver are required for the convenience of life and for other purposes. You carry about gold and silver for the purpose of doing certain business with, and not merely for the payment of debts?—I should have thought entirely for the payment of debts.

27,233. Not of past debts?—Not of past debts, but a railway ticket for instance, there is a debt incurred when you have the ticket.

27,234. You go to a railway station to take a ticket which is not a past debt, and if it is convenient for you to take gold you take gold, but if it is convenient for you to take silver you take silver?—Yes.

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27,235. So there is a demand for both gold and silver for special uses?—Do you suppose I should go and buy a railway ticket with gold which was at 5 per cent. premium if I could equally buy it with silver which was at par?

27,236. If the premium was allowed you at the railway station why should you not?—Why should they allow it?

27,237. Because it is more convenient for them to take gold than to take silver? It is more convenient to handle, why not?—That is purely a matter of coinage again.

27,238. Why not?—I take it that we could easily get over any difficulty arising from the handling of the gold by having notes.

27,239. I should like you to re-consider altogether the proposition that gold must go out of circulation altogether before the ratio gives way. I think there is no evidence for that whatsoever?—I was content to put it on the ground of history on the previous occasion, and to say that I have no knowledge of two prices arising in that way.

27,240. I do not agree with you in your reading of history at all in that matter, but I am putting it now as a matter of theory; what is to prevent it?—The interest of mankind is, I think, to prevent their paying premiums on a metal when they can get another metal which will serve their purposes equally well without a premium. You are assuming that it does not serve their purpose.

Bimetallic system includes paper currency.

27,241. I am assuming that it does not serve their purpose?—But I cannot admit the hypothesis.

27,242. Surely you must admit that you can take 10*l.* worth of sovereigns with you, and that you could not take an equivalent value of silver at all?—But we propose to have paper.

27,243. That is proposing a new condition which has not existed?—It has existed again and again in the past in this country, and it was proposed by Mr. Goschen only the other day.

27,244. That is altering the money much further than introducing a bimetallic system?—I make the introduction of paper part of the bimetallic system most emphatically and always have.

27,245. And that we should give up the use of gold in daily life to the extent that we have it now?—We should certainly lessen it. I should not like to make a very arbitrary interference with custom. I think we should look to what the Canadians have done, what the Americans have done, and what the French have done, and that we should be always using notes against the double reserve.

Legal tender.

27,246. I am not going to continue this vexed question of the unlimited demands which take place at the mints; but I should like to put it on record that you say the difference is that what a man gets back from the mints is legal tender, and that that makes a serious difference between the metal which he gives to the mint and the metal in coin which he gets back?—Yes.

27,247. That is your contention?—That is my contention.

The witness withdrew.

Adjourned to Thursday next at 12 o'clock.

Fiftieth Day.

Thursday, 5th July 1894.

PRESENT:

The Right Hon. GEORGE JOHN SHAW-LEFEVRE, M.P., in the Chair.

Viscount Cobham.
The Right Hon. Baron Rendel.
Sir Robert Nigel Fitzhardinge Kingscote, K.C.B.
Robert Giffen, Esq., C.B.
Captain Owen Thomas.
Francis Allston Channing, Esq., M.P.
Cornelius Neale Dalton, Esq., C.B.
Robert Lacey Everett, Esq., M.P.
John Gilmour, Esq.
George Lambert, Esq., M.P.
Charles Whitehead, Esq.

Herbert Lyon, Esq., *Secretary.*
R. F. Crawford, Esq., *Assistant Secretary.*

Mr. Thomas Mercer called and examined.

Mr. T. Mercer. 5 July 1894.

27,248. (*Chairman.*) You are a tenant farmer near Liverpool?—Yes.

27,249. How long have you been a farmer there?—On my own account for 36 years I think it is.

27,250. What size farms do you cultivate?—219a. 0r. 29p.

27,251. Are you a member of the Farmers' Association?—I am a member of the Liverpool Farmers' Club only.

27,252. Are you here to represent their views?—No, not at all.

27,253. Do you think you do in fact represent the views of the farmers in the neighbourhood?—Yes, I do represent the views of the farmers in the neighbourhood.

Effect of depression.

27,254. Has the agricultural depression affected your district?—Yes, it has affected it to some extent, a good deal, I may say, now, because wheat has got to such a very low price. I sold some myself a fortnight ago, some very good wheat, at 3*s.* 5½*d.* for 70 lbs., a price at which I never sold before in my life.

Particulars of farm.

27,255. What is your farm, is it mainly dairy farm?—No dairying at all, all ploughing. We grow corn, potatoes, wheat, oats, and clover hay.

27,256. Is that the general cultivation of the district?—Yes.

27,257. How near is it to Liverpool?—We are about 7 miles from it; we cart all on and all off.

27,258. What is the main source of profit on your farm?—The clover hay and the potatoes; but the potatoes have been at a low price these last two seasons, though they have been big crops.

27,259. You have not got competition in respect of potatoes from abroad, have you?—No.

27,260. Have you much hay?—Clover hay, we generally mow about 85 statute acres.

27,261. You have not got competition from abroad in respect of your hay?—Certainly, very much in respect of hay. It has lowered our hay 30*s.* per ton.

27,262. Are there any farms unoccupied in your district?—No.

Reduction of rent.

27,263. Have the rents been reduced?—We have had concessions, that is a percentage.

27,264. You have had abatements?—Yes.

27,265. But no general reduction?—No general reduction.

27,266. What do the rents average about there?—On the better land, about 2*l.* to 2*l.* 10*s.* the statute acre; on the mossy land about 25*s.* to 30*s.* the statute acre. There are different classes of land.

27,267. The rents have been maintained?—Yes, there have only been abatements.

27,268. When did the abatements begin?—We had an abatement about five years ago.

27,269. And every year?—No, we had a permanent reduction of 5 per cent.; the tenants agreed to take that rather than a 10 per cent. return. They offered us 5 per cent. permanent reduction.

27,270. You took 5 per cent. permanent reduction?—Yes.

27,271. Then there has been 5 per cent. reduction?—Yes, we have got that permanently.

Demand for farms.

27,272. When farms are unoccupied are there demands for them?—Yes, plenty of demands for them.

27,273. Plenty of people ready to come in with capital?—Not so much with capital. They are hard working men, are the Lancashire men.

27,274. The farms are small, I suppose?—Yes, they are small farms.

27,275. What do they average?—The average is about, I should think, 80 acres.

27,276. Not more?—No.

27,277. So that a man who comes in does not want very much capital?—No.

27,278. He works it with his family, I suppose?—Yes. There are some less than that and some larger.

27,279. Which have done best of late years, the small farmers or the big ones?—The small farmer cannot make any money at all; when his family has lived off it there is nothing at all for him.

27,280. But still, when a farm is vacant, notwithstanding that, are there applicants?—Yes.

27,281. How do you account for that?—Because he is a working man, and he would sooner do that than receive wages.

27,282. They prefer working for themselves?—Yes, if they have a family.

27,283. I suppose they come in with some capital?—A little very likely; they might have perhaps a hundred pounds or two.

Labourers' wages.

27,284. What has been the condition of the labourers in your neighbourhood?—The labourers are very well to do; I give all my horsemen 1*l.* a week and their cottages and gardens.

27,285. Have wages been maintained or have they risen rather?—There has been no difference for this last 10 years.

27,286. Previous to that had they risen?—A good deal.

27,287. How much have they risen?—We used only to give our horseman about 15*s.* a week and his cottage.

27,288. Now you give him 1*l.* a week?—1*l.* a week and his cottage free.

27,289. The last 10 years the wages have been about stationary?—Yes.

27,290. I suppose the low prices of food of every kind, and clothing, have been of great advantage to the labourers?—Yes, I should think so; they must have been.

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27,291. Is there less labour employed in the district than formerly?—There is less English labour. We have very little English labour. When they get married they generally go to Liverpool, they get better wages there.

Irish labour.

27,292. What is the labour?—Irish labour.

27,293. When you speak of 1*l.* a week do you mean for English labourers or Irish?—English labourers. We give Irish labourers 1*l.* a week in hay time, harvest time, and potato-digging time.

27,294. What you mean is that the Irishmen come in harvest time and potato-digging time?—Yes, in hay time, harvest time, and potato-digging time.

27,295. Then you do not employ the Irishmen permanently?—Yes we do, but we have extra hands at those three times, hay time, harvest time, and potato-digging time. We keep them on the farm. We could not get English labour.

Condition of cultivation.

27,296. Is the cultivation of the land improved in your district or no?—Yes, it is improved, no doubt, from what it was 20 or 30 years ago. It has improved a good deal.

27,297. Do farmers find the only way of making money is to cultivate to the very best?—Yes, to keep it in a very high state of cultivation.

27,298. They have done that in order to meet the low prices?—Yes, there is no other way for it.

Changes of tenancy.

27,299. Have there been many changes of tenancy in your district?—No, very few; there have been three or four small farms this last time, but they have had to go to small tenants; they are let again.

Labourers.

27,300. Then you say that the native labourers, the English labourers, are very much induced to leave the district and go to Liverpool, for the purpose of getting better wages?—Yes, we have not cottages to keep them; when the young men get married there are not cottages to keep them on the farms.

27,301. There is no deficiency of labour?—We get plenty of Irish labour.

27,302. I mean if you want skilled labourers, is there any difficulty in getting them?—Yes, there are very few, only horsemen. The Irish skilled labour is a good deal better than it used to be. I have had men come to me for over 30 years, who are quite as handy as Englishmen.

27,303. When you want men to look after the horses do you find it difficult to get them?—No.

Low prices.

27,304. What do you attribute the low prices to?—To the foreign competition, foreign supply.

27,305. Have you had bad seasons in your district? We have. We had a very dry summer last year, but still we would rather have it than a wet summer. A few years ago we had them continually wet, in the seventies, 1872 and so on to 1876 I think, I forget just which year.

27,306. During the last few years have you suffered at all from bad seasons?—Not just these last two years.

Price of hay.

27,307. You did not suffer from the drought last year?—We suffered a good deal. We should not have suffered so much providing our hay had kept up to anything like the price, but it has gone down so. We had not much more than half a crop of hay.

27,308. Has the price gone down?—Yes, it has gone down 30*s.* per ton.

27,309. Last year?—Yes, last year's crop.

27,310. I thought the price of hay had been very high?—Not in Liverpool. You have it higher here I can find than what we have in Liverpool, a good deal.

27,311. What were you getting for your hay?—At the commencement of the season I was getting about 6*l.*, but now it has dropped to about 4*l.* 10*s.* or 5*l.* for the best hay.

27,312. Up to when did you get 6*l.*—About March, I think.

27,313. About March in this year?—Yes.

27,314. After the hay season of last year to March of this year you were getting about 6*l.*?—Yes.

27,315. Is that a bad price?—No, we did not consider it a bad price; but then when it came down to 4*l.* 10*s.*, and less than that, we did consider it so. The very best of hay did not come down to 4*l.*, but the commoner hay came down to 4*l.*

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27,316. I suppose that was partly due to the mild season, the mild winter?—No, it was due to nothing at all but the American hay flooding our market, thousands of tons.

27,317. I suppose in ordinary years there is very little hay imported?—None that I know of from America, only what they brought over in the cattle boats.

27,318. The very high prices of this year induced the Americans to send hay over?—Yes; there is plenty of American hay being sold at about 2*l.* 10*s.* to 2*l.* 15*s.* per ton by auction in Liverpool.

27,319. (*Mr. Channing.*) This year or last year?—This year; they flooded it so that it has been laying on the quay.

27,320. Was that imported this year?—Yes.

27,321. Has it paid them at that price?—Certainly not.

27,322. (*Chairman.*) Taking the average of the last five or six years, have you got a lower price for your hay than formerly?—No, I do not know that we have, but then we have not had the imports before this last season as we have had.

27,323. I am not talking of the last season; I am talking of the last four or five years and comparing those with previous years; has the average price of hay much fallen or not?—No, I do not think so.

27,324. Then you have relied mainly on hay and potatoes for your returns?—Yes.

27,325. I suppose you have grown rather less wheat?—No, we generally grow about 50 statute acres of potatoes, and we sow all that land with wheat; manure it heavy and sow it with wheat. We must keep our rotation.

Price of potatoes.

27,326. Take potatoes: has the price of potatoes fallen much on the average of years?—Yes, and they have been very low these last two seasons.

27,327. That I think was due to very good crops?—Yes, heavy crops.

27,328. But apart from the last two years has the price of potatoes fallen much or no, as compared with a few years ago?—Yes, we have never had them as low for many years as they have been the last two years.

27,329. I am not talking of the last two years; I want to eliminate those two years and I want you to say whether, on the average, the price of potatoes has fallen as compared with the previous years?—No, I do not know that they particularly have.

27,330. Have you got any list of prices for some years past?—I have not with me. Plenty of potatoes I know have been sold at 30*s.* a ton this last season, carted to Liverpool.

Tenure.

27,331. With regard to the tenure of land, what have you got to say?—I do not see that we can improve on that at all; we have free cultivation and our landlord allows us to do anything we like, providing we manage our farms well.

27,332. I suppose you only hold on a yearly tenancy?—Yes, that is all.

27,333. But you have great confidence that that will be renewed year by year?—Yes, we have every confidence in our landlords.

27,334. Whom do you hold under?—Lord Sefton.

27,335. Do the tenants generally remain under him?—Yes. I think our family has been under them about 300 years.

Rates.

27,336-7. Then, with regard to local rates? Is yours a purely rural union or no?—It is rural.

27,338. Quite a rural district?—Quite a rural district; but we are in the West Derby union.

27,339. What do the rates average now?—3*s.* 4*d.* in the £, the poor and highway rates.

27,340. What were they 10 or 15 years ago?—I should think not more than 2*s.* 6*d.*—I have not just the figures.

27,341. What is the cause of the increase?—I do not know; they spend the money in such a way that it ought not to be spent.

27,342. Who spends money in a way that it ought not to be?—The Guardians.

27,343. Does it mainly go in the Poor Law, or what?—Salaries and the like of that, I suppose.

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27,344. Salaries, you believe?—I should think a good deal in salaries.

27,345. The ratepayers apparently do not look after their interests?—The ratepayers have a very poor chance; the country guardians have a very poor chance.

27,346. Why is that?—I do not know; if they want anything carrying they will see that they are not there, they will do it when they are not there.

27,347. Do you mean that the guardians from the town districts overrule you?—I think so.

27,348. I thought you said it was a purely rural union?—Ours is rural; I misunderstood you.

27,349. (*Mr. Channing.*) Does it include the West Derby Division of Liverpool?—Yes.

27,350. (*Chairman.*) Then there are large town districts in your union, I suppose?—Yes.

27,351. Am I to understand that the guardians of the town districts over-ruled the other guardians?—Yes; there are the Cottage Homes not more than a quarter of a mile from where I live, and I suppose it costs 10*s.* a head to keep the children there. I do not know what the labourer would do at all, nor a farmer either, if it must cost 10*s.* per week to bring his child up.

Judicial rents.

27,352. Is there any demand among the tenants in your district for judicial rents—for the determination of rents by an outside authority?—No, not now.

27,353. Not at all?—Not now, there used to be.

27,354. There used to be?—Yes.

27,355. They do not wish for it?—No.

27,356. Have you read the evidence given here by Mr. William Smith?—No, I have not.

27,357. Have you heard of Mr. William Smith?—I think I have heard of him, but I do not know much of him.

Protection.

27,358. What is your remedy for the depression, such as it is?—I cannot see anything but protection.

27,359. Protection?—Yes, in some way, particularly the manufactured goods. I do not know that I would put much on the raw material. We have had bran dearer per pound than wheat this last winter, because there is so much flour coming from America that we do not get the offals, and that makes the offals very dear here, bran and coarse flour.

27,360. A duty upon potatoes and hay would not very much affect you in ordinary times?—We would not want a duty on potatoes at all.

27,361. Or hay, in ordinary times?—I do not know, I am sure.

27,362. According to your statement, in ordinary times there is no importation of hay?—I am afraid there is a channel open now that will not be closed to American hay.

27,363. Now that it has found its way here, you mean last year, it will go on?—I think so. The shippers carry it so cheap that it is quite my opinion that it will go on.

Wages.

27,364. (*Mr. Giffen.*) You told us that wages have been pretty much the same for the last 10 years?—Yes.

27,365. But before that you said there was a rise of wages?—Before the 10 years, yes.

27,366. About what time did the rise of wages take place; was it not 20 years ago or thereabouts?—No, it is not 20 years since; I do not think so.

27,367. Since the rise of wages took place?—It might be; I do not think it is.

27,368. You could not give us exact particulars?—I could not here; it is more than 10 years ago, certainly, but perhaps it might be 15 years ago. I should think it might be 15 years ago.

27,369. That is to say, before 1879, before that time?—Yes, I think it would be before that. I have not just the notes of it. I am speaking from memory. I know I was the first farmer to raise the horsemen's wages to 1*l.* a week in our district.

27,370. At what time was that?—Really I could not say, speaking from memory.

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Protection.

27,371. If you had the moderate protection that you speak of, and what you speak of as a reasonable rise of prices, would not the effect be, as there is great competition for farms, that rents would go up, and the tenant farmer would not be any better off than before?—No, I do not think so. Unless something is done, the farmers in our district cannot go along as they are at all.

27,372. But is it not to some extent a question of rent?—No.

Rent.

27,373. If you had rents reduced they might be better able to go on?—I do not think so. If land goes down in our part of Lancashire, I think it will be a great national calamity, I may say.

27,374. If there is so much competition for farms, is it not partly the fault of the tenant farmers themselves paying too much rent?—I do not think so, they do not change their rents for all the competition. I dare say there is not another district in England where the farmers work like they do in our district. I have been over the country. There is one thing, if you would allow me just to name it. We are in the West Derby Union; I could go and keep 500 horses in Liverpool and I would not pay a penny on the earnings of those horses to the poor rates, only just on my stables. I think the land, the raw material, is over assessed altogether for the poor rates. The land cannot bear it. It will take three parts of my wheat crop this year to pay my rates.

Freedom of cultivation.

27,375. (*Mr. Gilmour.*) You said you had virtually freedom of cropping?—Yes.

27,376. Have you freedom of sale also?—Yes, in Liverpool market.

27,377. I mean you can sell anything you produce off the farm?—Yes.

27,378. Are you bound to bring in a certain amount of manure?—No, no tie whatever.

27,379. And yet the land is being kept up in your opinion rather better than it used to be?—Yes, it is. I notice that some few farmers as soon as they let the land go down are down themselves, they are very soon broken.

Labourers.

27,380. You complain of the want of cottages for the English labourers, how do you house these Irish labourers when they come over?—We have a house on the farm for them.

27,381. They live in a bothy sort of thing?—In a house, we have got a nice place for them.

27,382. And your own English labourers can do better than that?—Yes, it appears that they can; they can go into Liverpool and get their 28*s.* a week, and so on, when they are married.

Security of tenure.

27,383. You said that you personally, and the tenants on that estate had thorough confidence in the landlord; is that the prevailing feeling do you think of the tenantry in the country, as far as you know?—I should think so. Lord Sefton and Lord Derby own all for miles round, so we have confidence, I believe every tenant has, that they will not disturb a tenant.

Rent.

27,384. (*Mr. Dalton.*) What is the average rent per acre in your district?—It will run, I suppose, from 30*s.* to about 2*l.* 10*s.* a statute acre, or something like that.

27,385. What is your own rent per acre?—My rent is 2*l.* 1*s.* 8*d.* per statute acre, including three cottages free.

27,386. It is rather a high rent?—We have some very poor land in our district, mossy land, which lets at about 30*s.* an acre.

Small farms.

27,387. Do the small farmers get a living off their farms?—Yes.

27,388. Do they get into debt at all?—Three or four have got into debt this last season and been sold up.

Straw.

27,389. Do you sell much straw?—Sell all off, everything.

27,390. Do you get a good price for the straw?—We are getting a good price for the straw now.

27,391. To what extent does that make up for the fall in the price of wheat?—We had not half a crop of straw.

27,392. Last year was a bad year?—Yes.

27,393. In an ordinary year has it much compensated for the fall in the price of wheat?—As a rule the average price of straw is about 2*l.* a ton, I may say in ordinary years, not at the present time; it is more now; it is 4*l.* per ton now.

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27,394. How much straw do you get on an acre in a good year?—I suppose we will get about a ton and a half a statute acre.

27,395. That must add very considerably to the value of the crops, must it not?—Yes.

Rates.

27,396. You consider that the rise in rates is partly due to your guardians paying high salaries; but do not they get nearly all the salaries repaid from the Government grants?—I do not think so—the officials?

27,397. Your guardians get a sum paid them out of the Government grant for the salaries of their officers, which is equal to the whole of the salaries they paid in the year ending March 1888?—I was not aware of that.

27,398. So that the only part of the poor law salaries that can fall upon the rates is the difference between the salaries in the year 1888 and at the present time, so that ought not to raise the rates?—Does the clerk to the guardians get a portion of his salary paid from Government?

27,399. The guardians get it paid them by the county council and the county council receive it from the Government?—I am not aware of that.

27,400. That has been so ever since the Local Government Act of 1888?—I never heard of that before.

27,401. There is no doubt about that?—Of course, I accept it, but I had never heard about it.

Small farms.

27,402. On the average does the small farmer make his living out of the land in a good year?—He makes his living, but in a very poor way. He has to live very plain and dress very plain too, and works nearly night and day—the very small farmer.

27,403. Harder than a common agricultural labourer?—A good deal harder.

27,404. Have they good farm houses?—Yes, fair farm houses—sufficient.

Rent.

27,405. (*Mr. Channing.*) Did you say your land is rented at about 50*s.* an acre?—Some of it; it differs a good deal according to the value of the land.

27,406. Taking your farm all over, what is it rented at?—At a little over 2*l.* per statute acre.

27,407. Why is it rented so high, is it specially near to market?—It is specially near to market and it is in a high state of cultivation.

27,408. Have you used it chiefly as a market garden?—We do not market-garden at all. We grow nothing but wheat, oats, potatoes, and clover hay. We do not grow any cabbages or anything like that.

27,409. Is that about the same rent that other farmers are paying in that district?—Yes, just round our district, within easy distance of Liverpool.

27,410. Do you think the rent is so high because the land has been so highly cultivated in the past?—Yes, I suppose so; there is a good deal in the way that a farm is situated for the rental.

Straw.

27,411. Do you grow the wheat now chiefly for the sale of the straw which you are able to sell off?—Yes; we have to keep in rotation with our farm, else we very soon get wrong. We have so many acres of all kinds of produce.

27,412. Did I understand you to say you are not required in your agreement to replace the straw with any equivalent amount of manure?—Not at all; we are not bound in any way.

27,413. What do you do with regard to your land yourself?—We cart all our manure from Liverpool.

27,414. You get it from Liverpool and use it in that way?—Yes.

27,415. Do you use any artificial manure also?—Rarely; some little artificial manure. We have to grow the biggest crops we can grow or else we are no use at all.

27,416. Do I understand you to state that you do not represent any farmers' association here?—No.

27,417. You belong to the Liverpool Farmers' Club?—Yes.

27,418. Do you attend the meetings of the Liverpool Farmers' Club?—Very seldom. I might go occasionally.

27,419. Are you aware of any discussions they have had about the Agricultural Holdings Act?—No, I do kntot now hat they have.

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27,420. You have not any information of any resolutions they have passed?—No; there has been a talk of Lord Winchelsea's scheme, I know, in the club, but I do not know much about it.

Reduction in rent.

27,421. (*Captain Owen Thomas.*) Are you satisfied with the reduction of five per cent. which has been made?—We have been satisfied so far, but now as the hay is knocking us down so I do not know what we will do; we cannot get along at all, because we have made a good deal of money out of clover hay which keeps up the other crops.

27,422. Are you speaking for yourself or for the majority of the farmers in your district?—The majority of the farmers in our district.

27,423. Have you applied for a further reduction?—No.

27,424. Do you keep farming accounts?—No, we do not.

Results of farming.

27,425. You do not know really whether you have been making money or losing money?—Only by the bank book.

27,426. What have you done during the last three or four years?—I could not say at all.

27,427. Lost?—I could not tell you at all. We have been under the Earl of Sefton for 300 years; we ought to have a little bit of capital amongst us, surely, ought we not?

27,428. We should rather like to know whether you are making money or losing money?—We are not making any money at the present time, and that is why the man without capital now is bound to go; he cannot help it.

Ground game.

27,429. Have you much ground game on the estate?—I have not very much.

27,430. Do the tenants take advantage of the Ground Game Act?—No.

27,431–2. Why?—There is only one case that I know of under the Earl of Sefton in which the tenant gave notice himself, and then commenced to kill the ground game.

Results of farming.

27,433. (*Chairman.*) What amount of capital have you got invested in your farm? How much an acre or how much altogether?—I can scarcely say, because since I came to the farm I have drained it all, the landlord giving me tiles, and cleared it all, and put new fences through it. I have 3,500*l.* in it.

27,434. Including cattle and horses and everything?—Quite.

27,435. When you say you are not making anything do you mean you are not paying interest on that capital or what?—I do not think we have paid interest on that capital the last two years at all; I am sure we have not.

27,436. But before the last two years you did do fairly well?—Yes, fairly well.

27,437. Could you estimate at all what profit you have made on your capital apart from the last two years?—No, I could not tell you, not now.

27,438. Do you think if you look into your books or if you think over it you can add it to your evidence afterwards, and say what you have made on the average of late years?—No, I could not say, because my income is mixed altogether. I do not keep any account, only the banking account, that is all.

27,439. When you say it is mixed, have you got other means?—I expect so, or else I would be very badly off. I had a few thousand pounds to begin farming with. I was independent and could have been still independent if I had never commenced farming at all, only I have six sons.

27,440. I think you said your family had been long on the farm and you have accumulated capital?—We ought to do, surely.

27,441. Up till two years ago you think you did pretty fairly well?—Just fairly, making my way, but I have had six sons working on the farm; I have four

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working on the farm now, and do a day's work every day. I came to London yesterday, but I was working amongst the hay till 5 minutes to 11 o'clock.

27,442. Do you pay your sons wages?—No, not those who stop at home. I have two out on farms, one under Lord Derby and one under Lord Sefton.

27,443. Do these others hope to go out and get farms themselves?—I will get farms for them, no doubt.

27,444. You will give them some money to stock their farms with?—Yes, I will set them up.

27,445. Then you do not think it an altogether hopeless business?—They are brought up for farming, and what must they do? If the land goes down in this country what is to become of our country?

27,446. Still they might take their capital somewhere else and go abroad; emigrate to a farm somewhere in the States?—They will have to please themselves about that.

27,447. Apparently they prefer to remain in England?—I do not know; I cannot say whethey they will or not, now. I have one son who has been to America to look.

27,448. Has he done well?—He only just went to look at America, to see the farming there.

27,449. As a result did he remain there?—No, he did not intend to remain at the time; his inclination is to go.

27,450. Do you think he will go?—I do not know whether he will go or not; his inclination is quite to go, but we do not want him to go. His mother does not want him to go.

27,451. Do you think there is a fair prospect for a man setting up in England with a little capital?—I do not think so, at the present time. I think it is a very bad prospect for him, but what are they to do? What business can they go to now? They have been brought up to farming.

Ground game.

27,452. (*Sir Nigel Kingscote.*) Did I understand you to say that on the estate under which you farm, if the tenants shot the ground game they had to quit their farms?—I would not say exactly that, but we work with the landlord; in fact it would not do at all to shoot the game. We take our farms on that condition, not to touch the game.

27,453. (*Captain Owen Thomas.*) Are you compensated for any damage the ground game does?—Yes, the farmers that are close to the woods are, or the plantations; but I am not close to any plantation.

27,454. (*Chairman.*) Is there much ground game?—A good deal of ground game.

27,455. Does it do you any damage?—Not me, it does not, but it does some farmers near the plantations. I have a son on a large farm at Croxteth.

27,456. Why do they not avail themselves of the power given to them under the Act of killing the game themselves?—What is the use when they take the farm not to do so?

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27,457. But the Act of Parliament says, notwithstanding that they may kill the game?—Yes, but the Lancashire farmer as a rule is not a sporting man; we have never had time to sport or shoot.

27,458. (*Sir Nigel Kingscote.*) As a matter of fact they get compensation, do they not?—Yes, they get compensation where the game does them a lot of harm.

27,459. (*Mr. Dalton.*) How many acres is your farm?—It is 219 acres.

Rent.

27,460. If your rent was reduced from 50*s.* to 35*s.* there would be a very good living to be made off the farm, I suppose?—Why should we pay these heavy poor rates and all this on the raw material?

27,461. I am not talking about the rates; but there would be a good living then?—Perhaps there would; I daresay there might be; I do not know whether there would or not. If they are going to put us down with the clover hay now we will be good for nothing.

27,462. I suppose the imported hay is cheaper at Liverpool than it would be anywhere else in the country?—I suppose so.

27,463. I suppose you suffer a great deal more than a place that is further distant from it?—We do at Liverpool suffer very much.

27,464. (*Captain Owen Thomas.*) How long have you been paying 41*s.*8*d.* an acre?—I have been paying it ever since I took my farm, but my farm has been enlarged.

27,465. How long?—I have been farming about 36 years; it was not so large then as it is now, quite.

27,466. And it has been the same rent since?—Yes.

27,467. (*Chairman.*) And your landlord would find no difficulty in getting the same rent from somebody else if you gave it up?—No, in the state of cultivation my farm is in, he would get it easy enough.

Condition of farm.

27,468. (*Mr. Channing.*) Was it in the same state of high cultivation when you first took it?—Certainly not; it was in a very bad state of cultivation.

27,469. And you cleaned it and brought it into a high state of cultivation?—Cleaned it, and drained it, and brought it into a high state of cultivation.

27,470. (*Chairman.*) Would your landlord find it difficult to get a higher rent than you are now paying, if it was vacant?—I do not know, I am sure. I do not think he would get a higher rent than I am paying now. I am sure he would not.

27,471. (*Captain Owen Thomas.*) Would you be compensated for the improvements you have made if you left now?—Yes, for those improvements that have not gone beyond the time; we have a stated time.

The witness withdrew.

Mr. W. E. Bear.

Mr. William Edwin Bear called and examined.

Mr. W. E. Bear.

27,472. (*Chairman.*) You were, I believe, for many years engaged in farming in Essex?—Yes.

27,473. You gave up in the year 1878, when you became the editor of a newspaper dealing with farming?—Yes.

Farming in Essex.

27,474. You gave up farming then, at a very good time for Essex?—I gave it up just before the black year of 1879.

27,475. Had you made a good business of it?—No, although prices were much better then than they have been since. Mine was a heavy land farm, and we had some very wet seasons in the seventies. I was young and foolish at the time, and rather enthusiastic in the way of expenditure on improvements. I spent a great deal of capital in draining and chalking the farm on the security of a 14 years' lease, which security, of course, got less and less every year, I kept on improving till the tenth year; then I gave it up, on deciding not to renew my lease.

27,476. Your loss was mainly due, I take it, to the fact that you had invested the money on too short a lease?—Mainly due to investing in permanent improvements on which I had no security at all. Of course I knew I had no security except on my lease.

27,477. Apart from that, had you been making it pay fairly well?—Apart from that I just managed to live, that was all, my rent was high, and the land was very much out of condition when I took it, I took the farm when rents were just at the very lowest.

27,478. What rent were you paying?—It was about 2*l.* an acre on all the land that could be used either for feed or for arable.

27,479. It was a high rent rather?—It was a high rent for that land.

27,480. (*Mr Channing.*) In what district of Essex was it?—A very good district. It was in the Tendring Hundred, near the sea.

47,481. (*Sir Nigel Kingscote.*) Do you say it was 2*l.* an acre?—It was not quite 2*l.* an acre on the landlord's measurement, but on the working area—on the area that was of any use—it was just about 2*l.*

27,482. (*Chairman.*) In 1879 you formed the Farmers' Alliance, and you were the secretary of that?—Yes.

27,483. After 10 years of life it fell to pieces, mainly on the ground of differences amongst its members on the subject of protection?—Yes, that was the immediate cause of its splitting up.

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27,484. You have recently served as Assistant Commissioner to the Royal Commission on Labour, have you not?—Yes.

27,485. And you visited for that purpose several counties?—Yes.

27,486. Which counties were they?—Hunts, Leicestershire, Nottinghamshire, Hampshire, Bedfordshire, and Sussex.

27,487. Then you come before the Commission not so much to give evidence as to the actual existence of agricultural depression, but on the causes and the remedies?—Yes.

Foreign competition.

27,488. What, in your opinion, is the main cause?—I do not think there is any doubt that increased foreign competition is the main cause.

27,489. And the consequent fall of prices?—Yes.

27,490. Do you attribute the fall of prices to foreign competition rather than to any monetary difficulties?—I consider that is one form of what I call artificial foreign competition. The advantage which an exporting country has, where its currency is deteriorated in gold value, is, I think, a prolific cause of increased competition.

27,491. I do not know that we need go through the prices you give in your brief, unless you particularly wish it, because we have probably got them all from other witnesses. I believe you desire to point out the great reduction that has taken place in the area of wheat and the fall in the averages?—I only put those prices down so that I should not make a statement utterly unsupported by figures.

The seasons.

27,492. I think you attribute the depression much more to foreign competition than to bad harvests?—Yes. I do not consider the harvests of the eighties have been bad harvests as a rule.

27,493. I suppose you would admit that, as regards the south of England at all events, the last two years have been very disastrous from the point of view of the seasons?—Last year of course was a dreadful year. I suppose the year before was not a good one, but there is no doubt that for the south of England last year's harvest was the worst harvest they have ever had.

27,494. The yield of corn in the previous year was extremely bad, was it not?—Yes, but I suppose the depression was of much longer standing than those two years, and therefore I do not consider it is due mainly to bad seasons.

27,495. It may have been aggravated?—It may have been aggravated undoubtedly in the last year.

27,496. By the bad seasons, and by the fact that prices did not rise in proportion to the diminution in the quantity?—Yes. As far as the south of England is concerned. In the flock-breeding districts it was aggravated by the very bad harvest and the great fall in the price of sheep. I look upon the depression as existing since 1879.

27,497. You are quite entitled to cover a wider ground, but I wish to put it on the notes whether in your opinion it had been aggravated by the two bad seasons?—Very much.

27,498. I suppose the fall in the price of sheep was very largely due to bad seasons and bad fodder?—Yes.

27,499. The bad fodder would also be due to the bad season?—Yes.

27,500. Was not the fall in the price of cattle last year also largely due to the same cause?—Yes.

27,501. Cattle were forced upon the market insufficiently fed, and of course the farmers had not food enough to maintain them?—Yes, that was so no doubt; the extra trouble of the last two years no doubt has been caused to a great extent by unfavourable seasons.

27,502. But still, apart from the last two years, you consider the fall of prices has been such as to cause general depression?—Yes, I think so. I think, apart from the last two years, the harvests have been better than the average, and the seasons have been better than the average.

27,503. That is undoubtedly the case for the previous seven or eight years?—Yes.

27,504. The average production of wheat was rather above the average than below?—Yes.

27,505. But the last two years the average has been extremely low?—Yes, it has.

27,506. Then you desire to point out that there has been a considerable reduction in the price of beef and mutton?—Yes.

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Prices of meat.

27,507. But mainly in the the inferior qualities, would you say?—Yes, it has affected the inferior qualities most. Of course that is the point where the imported meat comes into competition with the English.

27,508. Apparently from the figures you have given here in respect of the first quality of beef and mutton, the fall has been about 15 or 16 per cent.?—The fall in beef has been three half-pence a pound for the first quality, up to 1892.

27,509. In the case of pork, apparently, from your figures, the average was 49*s.* 9*d.* per hundredweight in 1876 to 1880 and 47*s.* 2*d.* in 1891 to 1892; which is a comparatively small reduction?—Yes; pork of late has been selling almost as well as ever it did; the last two or three years pigs have been so scarce.

Price of butter.

27,510. What do you consider has been the fall in the price of butter?—It is very difficult to tell, because we have got no trustworthy statistics relating to home produced butter, and the foreign butter was mixed with margarine until 1885, which makes a difficulty. I have shown in my brief that if you put butter and margarine together there is a very considerable fall; the only doubt is to what extent there is more margarine now.

27,511. The real question is what proportion the margarine bore to butter in the former period; and unless you know that you cannot get accurate data?—It cannot possibly be got accurately.

27,512. Would it not be possible to get in some way or other the average price of butter in the market?—You might get the Irish prices; I did not think of that. They show a reduction, but not a very serious one.

Price of cheese.

27,513. Then in the case of cheese you say that the reduction has been from 2*l.* 12*s.* 8*d.* for 1876 to 1880 and 2*l.* 7*s.* 10*d.* for 1891 to 1892?—Yes.

27,514. That would be about 8 per cent., I think?—Yes, it is not very serious. There is no doubt that cheese makers are the most prosperous agriculturists at present.

27,515. Does that not probably show that in butter you would get about the same rate?—I think butter must have been reduced more than cheese.

Butter making.

27,516. I thought the tendency rather was to give up making cheese in order to make butter?—I do not think so. I think it is a very difficult thing to make a profit out of butter. It would be an extremely good average for 2½ gallons of milk to make a pound of butter, and 15*d.* a pound for butter would only be 6*d.* a gallon for the milk; whereas you can make a pound of cheese with a gallon of milk, and you ought easily to make 7*d.* a pound for your cheese if you make it well.

27,517. Both are manufactured from milk, and if the proportion of reduction has been 8 per cent. in the case of cheese, the probability is that the reduction in the case of butter does not differ very much from that?—I think the reduction in the price of imported butter (if you get it away from the margarine, which is very difficult) is rather more than it is in the price of imported cheese.

27,518. In the case of butter, do you think much might be done in the way of improving the quality?—A great deal has been done within the last few years, and a great deal more might be done, unquestionably. For instance, where the Royal Agricultural Show was held, the other day, in Cambridgeshire, the butter is atrocious, and the people prefer Danish butter.

27,519. Did you find in your inquiries in the districts you have mentioned, that Danish butter is sold in many of the inland towns?—Yes, I think so.

27,520. And is it bought in preference to the butter of the district?—I suppose you would hardly go anywhere without being able to get Danish butter in the considerable towns at any rate.

27,521. Do you see any reason why the butter, produced in the rural districts of England should not be as good as that produced in Denmark?—No; anyone can make good butter if he takes the trouble, unless he does it on a very small scale; and in that case farmers should do as the Swiss do; they should combine together and have village factories.

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27,522. In Denmark they take great pains to maintain the average of the quality, do they not?—Yes.

27,523. It is from the absence of that system that the English butter is so different in many parts of the country, I suppose?—Yes, I think so. It is due to the want of co-operation to a great extent, and to the want of taking the trouble to learn the best system. But I think there has been an immense spread of dairy information lately, and I should think the improvement in butter-making during the last 10 years has been enormous.

27,524. Then I see you consider the fall of prices is mainly the result of competition?—Yes, I think so.

Protection.

27,525. Do you consider that protection would not altogether be a remedy for it?—I do not think protection would be a remedy as far as tenant farmers are concerned, because I believe it would create a mad competition for farms once more.

27,526. The effect would be to raise the rents?—Yes.

27,527. And the tenants might be in the same position after the rents were raised as they were before?—Yes, I think so. There is something peculiar about Protection which causes a speculative feeling, I think, which is not caused by any other benefit which you could give the agriculturists.

Foreign competition.

27,528. Have you considered that the foreign competition is altogether natural, or is it in some respects unfair and artificial?—I think it is artificial in some respects, and that it is made unfair by the railway companies and by other means.

The currency.

27,529. Do you consider that it has been enhanced by the debasement of the currency, or by paper currency in foreign countries?—Yes, I think so, by the depreciation of the silver, for instance. Then the gold premium in Argentina has made a great difference this year. If it had not been for that the exports from Argentina this year would not have come in, just like the last straw on the camel's back, to break down the markets altogether.

27,530. Do you consider that the power of the paper currency in those countries is detrimental to their interests, in that it forces down the prices of their exports?—I do not think it is detrimental to the interests of the producers so far in the Argentine Republic. I think the producers have derived an immense benefit from the depreciated currency, because they pay for everything in that and sell their produce at gold prices.

27,531. The producer does, but the country, as a whole, must be rather a sufferer, because they get less money for their product than they otherwise would?—They get gold payment for what they export. I should say that the persons who own land and have it to sell are the worst off, because they get paper prices for their land. I am told that land has not risen in value in currency prices at all in the Argentine Republic; and of course with the 300 per cent. premium on gold, they really get very much less in gold value for their land than they have been getting.

27,532. I understand from you that you consider the producer may benefit for a moment because he pays for labour and other things in paper money and he gets paid in gold?—Yes, for the time being.

27,533. That being the case the labourer must suffer, because he gets lower wages. That is he gets paid in the depreciated currency, and probably he has to buy what he wants at the old rates?—Of course, if wheat is sold at gold prices he may have to pay for wheat at gold prices, but wheat is very cheap indeed in the interior of the country. For most things he buys I should think he pays at the old rates of currency, because they say the currency in the interior of the country has the same purchasing power as it had before. I believe wages have risen, at any rate quite sufficiently to compensate the labourer. The great disadvantage is to a man who wishes to save money there, and then come back to Europe. He is at a very great disadvantage.

27,534. I understood you to say that the producer gained, because he paid wages and so forth in the depreciated currency, and was better able, therefore, to export at a lower price?—Yes, certainly.

27,535. If that be so the wages, at all events for the moment, have not increased?—No, they have not increased to any great extent. I see that Mr. Gastrell gives a small increase but it is a mere trifle compared with the effect of the gold premium.

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27,536. Where that is due to the adoption of a paper currency, of course no action on the part of other countries could affect the matter?—Not unless you adopted bimetallism as a counteracting effect.

27,537. Even that would not be a remedy, unless the countries were to be a party to it, and to adopt a metal currency instead of a paper currency. Is that not so?—I am not quite clear.

27,538. I understood you to say that in the case of the Argentine Republic and other countries, the mere fact of their adopting a depreciated paper currency stimulated their exports?—Yes.

27,539. Therefore bimetallism would be no remedy for that, unless that country adopted the system of substituting a metal currency for their paper currency?—I am not quite clear how far it would meet that, but I suppose the effect of bimetallism would be to raise the price of wheat, at any rate as far as relates to checking exports from India and possibly from Russia.

27,540. I am now talking especially of those countries that you speak of, the Argentine and others, where there are exports which you think have been stimulated by their adopting a depreciated paper currency?—Yes, I suppose the Argentine Republic has also silver dollars, has it not, to a great extent as well?

27,541. I understood you to say that the difficulty was that they have not adopted a depreciated paper currency. That seems to me to be a matter independent of whether silver or gold is the basis of their currency?—Yes. The gold premium is, of course, on their paper money.

Market gambling.

27,542. Then with regard to gambling in wheat and other agricultural produce, what have you to say?—I think it is a very great evil, and I am afraid that it is likely to extend in this country. Since I wrote down my notes I have seen the advertisement of the National Consolidated Produce and Share Clearing House to have branches in all the principal towns of England, an advertisement appearing in the "Mark Lane Express" the other day, to establish a clearing house for dealings in cotton, wheat, maize, sugar, tea, coffee, lard, shellac, nitrate of soda, Lagos palm oil, turpentine, linseed, copper, pig-iron, silver, tin, and shares.

27,543. Is that with the view of preventing this gambling?—With the view of extending it and making a national clearing house in London for the convenience of transacting this option business.

27,544. (*Mr. Channing.*) To give greater facilities for it?—Yes; to give greater facilities for it and to register all contracts.

27,545. (*Mr. Giffen.*) Is that to supersede the existing Produce Clearing House in London?—I do not know; it would be a rival to it, I imagine. I should think it would swallow it up if it were successful. I do not know why they want this, nor whether it will come to anything. I know nothing about it at all.

27,546. (*Chairman.*) However, that is only an advertisement of a proposed scheme. It can hardly as yet have produced any effect?—No.

27,547. The question is whether the gambling in agricultural produce, in options and futures, or whatever they may be called, has produced any bad effect or not?—I cannot help thinking that the offer in the regular markets of millions and millions of bushels of wheat which are not in existence must have a tendency to lower prices in the first place.

27,548. Would not the offer to buy on the other hand equally have some effect, and might neutralise the offers to sell?—I do not think so, because if you imagine a real over-production to the extent of this fictitious over-production there would be buyers for any quantity of wheat at a price, but it would not prevent the price being extremely low even if you have over-production.

27,549. Every transaction seems to involve both a buyer and a seller, and I should have thought they would neutralise one another?—You might say that with actual over-production.

27,550. I should have thought that speculation would rather tend to average prices than to have any other effect?—I do not think so, because if you have ten times the offers of real wheat that there are in the country at the present time you would still have buyers for all

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that, and they would not neutralise the effect of this over production, but prices would go down enormously. I think a fictitious supply has a similar effect. You flood the market with offers of wheat, and it is impossible to tell whether it is real wheat or fictitious wheat as far as the market reports go. I do not think the system would have any effect at all if it were not transacted in the American markets, which are the only markets which make prices, and the only prices published in America are those of the option markets.

27,551. At all events these gambling transactions have had, in your opinion, a serious effect in reducing prices?—I believe they force them down, especially in a season when there is a large supply. They have got everything in their hands then. I believe the general tendency would be to reduce prices, not only because of this large fictitious supply, but also because of the insecurity which the tricks of the gamblers create.

27,552. (*Mr. Channing.*) Have these transactions increased in volume in the last two or three years?—In America undoubtedly, and in Liverpool too, and they have risen in London in a few years. The principal merchants of Mark Lane do not like them at all, and they look askance at the system.

27,553. They have increased in number?—I think so because they began on a very small scale, and they have now got their clearing house. Unquestionably the system has been growing in England for the last eight or ten years, ever since it sprang up. It is growing, and will grow, I am afraid, if nothing is done to stop it.

27,554. That increase coincides in date with the fall of prices; it may be the cause of it or it may not?—It coincides with the fall in prices, and the commodities which are the subject of options have fallen in price more than others. I do not know whether any previous witness described the nature of an option to the Committee

Other causes of depression.

27,555. (*Chairman.*) Yes, we have had that very fully from another witness; what other forms of unfair foreign competition are there?—Preferential railway rates given in the form of through rates on foreign goods is an unfair form of competition to which farmers are subjected; the sale of margarine as butter, and other adulterated articles as genuine, and the sale of imported meat and other produce as British.

Burdens on land. Tithe.

27,556. Then, with regard to burdens on land, what have you to bring before us?—The Commission has had evidence from the Assistant Commissioners of a very strong character, showing how high the burdens are in Essex and Hampshire. In many counties which I went into I found the tithes were quite as much as the rent, and in some cases the land was refused on the ground of having to pay so high a tithe.

27,557. Those must be rather exceptional cases of very high tithe, and a very high land tax, must they not?—Kent is the worst county of all, Essex next, and Hampshire is about third.

27,558. I suppose you will admit that that is a deduction from the rent, and that a high tithe and a high land tax are hardly matters which affect the tenant?—I think not, but still they are matters which keep the land out of cultivation.

27,559. Why? I cannot see that, so long as the land can be let for something beyond the tithe and the land tax?—Where it does not let then there is land thrown on the landlord's hands because no one will pay the tithe and rates on it. I saw a great deal of that in Hampshire when I was there, and of course Mr. Pringle has noticed a great deal of it in Essex.

27,560. Have you yourself known cases of land being unlettable because the tithe was more than the land was worth?—Unlettable in Hampshire. I was told of a case when I was there.

27,561. I thought there was provision in the Tithe Act to meet a case of that kind, and that there was a process under which the tithe could be reduced?—Yes, and I do not understand why it has not been applied more.

27,562. I mean where the tithe was so high that the land will not let for the amount?—I suppose the landlord will have to prove that in each individual year, but the tenant and the landlord have to make a bargain for a course of years together when the landlord is letting a farm.

27,563. Could you lay before the Committee any specific cases; because it would bevery interesting to inquire into a specific case of that kind in order that one may understand what the difficulties are?—I thought the cases had been given so specifically in Mr. Pringle's Report, that it was not necessary to bring details. I have not had actual cases brought before me in detail; I have only been told of them incidentally in going over these counties.

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27,564. It is all important to get actual facts rather than general information, because it would be interesting to have a specific case of the kind so that it may be examined, and we might discover what is the cause of the Act not operating?—I was collecting evidence for the Labour Commission when I went through these counties, and of course agricultural depression was only an incidental inquiry.

27,565. You mentioned just now that you had known of such cases?—I was told of two or three farms, and I was shown a large farm which was in very good order, where the tithe on it was about 5*s.* an acre, and the landlord could not let it for that reason.

27,566. Could you give us the name of the case?—(The witness gave a name, but afterwards wished to withdraw it, not being certain which of several farms he had in mind.) I was told of other cases, but I do not remember the names of the landlords. I was told that the tithe was 4*s.* or 5*s.* an acre, and that that was considered to be very much against the letting of the land. But of course Essex is the most striking case.

27,567. That would only turn upon whether the land is worth more or less than the tithe?—Yes, but where a man will not pay the amount of the tithe and land tax, even if he has it rent free, of course the land is worth nothing to the landlord.

27,568. In the case of the tithe there is undoubtedly a provision in the Tithe Act to meet that very case; therefore one would wish to know why it has proved to be inoperative?—I do not know why it has not been put into force. But you see you have the evidence of Kent, and Hampshire, and Essex from the Assistant Commissioners to show that land is thrown out of cultivation, and they give that as their reason. I have taken their word for it. I suppose they have investigated the cases.

27,568*a*. What other causes of depression are there?—I think that the burdens which land could bear well in times of prosperity it cannot bear now, and I think that the nation which insists on unlimited competition should place the cultivators of the soil on as favourable a footing as possible for meeting it. I think that the English farmer should be brought into the position of an American farmer as nearly as he can be by the removal of anything which handicaps him, and I think that the nation should be generous in that respect, and not be too hard from an economical point of view.

Reduction of rent.

27,569. Then with regard to the rent, what have you to say?—Rent, of course, has been reduced generally throughout the country, but there are some parts, such as in Lancashire and in parts of Yorkshire, and I believe in Cornwall, where the rents have been kept up almost to their old level. There are many cases where temporary remissions have been made instead of permanent reductions, which do not have the same effect.

27,570. You think that the temporary abatements are not calculated to inspire hope or to stimulate energy?—I think they are not.

27,571. Do you consider that there have been many cases where the landlords have only resorted to temporary abatements rather than permanent reductions?—That seems to be the evidence.

27,572. I mean, what is your own experience, not what is the evidence before us; can you state from your own experience that that is so?—No, I cannot. I have no experience, of course, except what I read.

27,573. (*Mr. Channing.*) By evidence, do you mean evidence derived from general sources of information, or evidence derived from what has been before us?—I mean evidence derived from general sources of information. I gather that there are many cases in which temporary abatements are made, and not permanent reductions. I think temporary abatements have rather a depressing effect upon agriculture than otherwise, because I think they keep men always anxious to get abatements and rather indispose them to try and improve their farms than otherwise. They keep them in the position of paupers.

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27,574. (*Chairman.*) I presume that after all the main question of rent must be whether the lands will let, or whether there are demands for farms?—Yes, of course.

27,575. Whether there are people ready to come in to give the rent?—Yes, to some extent. I do not think rents are based, universally, on competition. On some of the larger estates that I have been on I do not think they ever have been, but still, of course, rent is the foundation.

The Agricultural Holdings Act

27,576. Then with regard to the question of tenant right and the Agricultural Holdings Act, I presume you will not say that depression is due to anything of that kind, but that it is important that any wrong in that direction should be remedied?—Yes; I think in order to give hope for the future that a good Tenant Right Bill is of the utmost importance.

27,577. (*Mr. Channing.*) Do you not also ascribe part of the losses of farmers to the defective state of the law in the past?—I think that in many cases they would have been better if the law had been such as to encourage them to keep their land in first rate condition.

Security of tenure.

27,578. (*Chairman.*) Then have you considered that the Agricultural Holdings Act has not given the security which it ought to have given?—I think it has not given security directly to any considerable extent; it has done good indirectly, I imagine, by inducing landlords to make more liberal bargains with their tenants than they used to make; but as an Act, as far as its direct action goes, it seems to me to have been a lamentable failure.

Fixity of tenure and free sale of improvements.

27,579. Then what do you advise in respect of it?—For many years I have been a strong advocate of free sale. I do not believe that the valuation system will ever answer. It seems to me almost impossible to value improvements that have been carried out on a farm for years past.

27,580. By the recommendation of free sale you also mean, do you not, fixity of tenure or continuity of tenure of some kind?—I would not have any more fixity of tenure than I could help, but unfortunately you cannot get free sale without a certain continuity of tenure.

27,581. If you talk of free sale you must have some interest of a continuous character to sell?—I do not mean that so much; I mean if you sell your improvements to an incoming tenant this man must have security that he will not lose all that he has bought, by being turned out directly. That is the only thing.

27,582. Does it not almost necessarily involve in the principle of free sale that the vendor must be able to give to the purchaser some continuity?—He must for a certain number of years. In the Farmers' Alliance Bill which we drew up, we had, I think, eight years or seven years.

27,583. What is your actual proposal with regard to free sale?—That the outgoing tenant should be able to sell in the open market, with preemption to the landlord, improvements on his farm or his tenant right, the landlord having power to object to an objectionable tenant.

27,584. Would you insure to the purchaser a term of years during which he would not be removed?—Yes, the assurance should be given by law that the rent should not be raised within seven years or something of that sort, and then only to the extent to which it was due to other circumstances than the improvements of the tenant.

27,585. I only want to know exactly what your scheme is, is it that on leaving his farm an outgoing tenant should have the right of selling his interests to a purchaser with the condition that the purchaser should remain in possession for seven years without a rise of rent?—Yes, a certain short term of years, I think it was seven.

27,586. That would be a recurring right and whoever took possession of the farm would always, on leaving, have that right of sale to his successor?—Yes.

27,587. Does not that practically come to this, that it means a judicial rent and fixity of tenure, because when you give this recurrent right of free sale on the conditions you speak of it would practically mean that the tenant and his assignees would have fixity of tenure?—He would almost have fixity of tenure because if he were at the end of his term that is fixed if he left the farm and sold his tenant right again it would be for another term of years. But still the landlord would have the right of pre-emption at the end of such term.

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27,588. What do you mean by the right of pre-emption?—To purchase the improvements at the market value, whatever they might be worth, if he liked to give as much as anyone else would for them.

27,589. That seems to me to be inconsistent with your principle of free sale; a tenant on wishing to go, I understood you to say, was to have the right of selling his interests in such a manner that the incoming tenant would have the right to remain there for seven years without an increase of rent?—Yes.

27,590. How would the landlord's right of pre-emption affect that?—I mean to say that the landlord might give the same price, the market price, for the improvements and then he could take possession of the farm and let it again.

27,591. Quite so, but then it would be a matter of bidding between the landlord and an outsider?—Yes.

27,592. And whichever of them gave the highest price would be entitled to take the farm?—I suppose so. Of course the difficulty is to ascertain what is the market price.

27,593. The right of pre-emption then would involve the right of putting it up for competition in which the landlord would have the right of bidding against any outsider who might wish to have the farm?—Yes.

27,594. If the landlord gave the highest price he would have it?—Yes.

27,595. If an incoming tenant gave the highest price he would obtain possession of the farm for the seven years with the right of renewal upon the same basis afterwards?—Of course the landlord would be able to disturb him at the end of the term by putting up his rent if he chose unless he appealed against it to the Court of Abitration.

27,596. (*Viscount Cobham.*) Still that would not be a right of preemption?—What I mean by the right of preemption is the right of getting and of taking the farm at the market price.

27,597. (*Chairman.*) But the market price is to be determined by competition outside; I only wish to know exactly what your view is in the matter?—I adopted the scheme of the Farmers' Alliance which we, some of us, worked out with a great deal of trouble and anxiety to do what was fair. As far as I am concerned I do not want fixity of tenure at all, and I do not want judicial rents, if you could avoid it, but I do want free sale, because I do not see any other way of paying for improvements.

27,598. The principle of free sale would seem to involve fixity of tenure and judicial rents?—Yes, but limited fixity of tenure. I do not think it means absolute fixity of tenure.

27,599. I gather from what you said that on every termination of a tenancy the tenant would be entitled to free sale, subject to the conditions that you have referred to?—Yes, but the landlord could buy him out at the end of the term, or at any time, if he liked.

27,600. I gathered from you that he could only buy out subject to this: that some other person might outbid him?—No, there is no necessity, and the tenant is not obliged to go into the market if he likes to accept his landlord's offer.

27,601. Quite so; but if he does not; if he thinks the landlord is not offering him enough, then he would be entitled to go into the market and get somebody else to bid a higher price?—Yes, he would.

27,602. Therefore, although you, in principle, are somewhat opposed to fixity of tenure and judicial rents, does it not practically come to this: that your proposal of free sale does involve those two elements?—It involves the possibility of them, but it does not make them absolutely necessary. In this scheme which I helped to draw up, the tenant and the landlord can agree together; it is only when the landlord attempts to rent him on what he considers his own improvements that he is entitled to go to the Court.

27,603. As I understand it comes to this: that the landlord by agreement with his tenant might buy him out, but if the tenant objects to the price offered by the landlord he would be entitled to get a higher price

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from some outsider?—Yes, it is only for the sake of getting that principle of the market value.

Valuation.

27,604. (*Mr. Lambert.*) Why do you object to the present system of valuation?—Because I do not think it is possible correctly and fairly to value improvements which have been carried on for years past.

27,605. Why not?—I do not see any way of getting at the value. How is a man possibly to tell that, when you may have been improving your farm gradually.

27,606. Then how is an outsider to tell?—You must take your chance in the market; you must be your own valuer. Every one takes his chance of valuing correctly or not. It is the same with everything else in the market. If you get the market price I think you cannot complain.

27,607. But somebody must value?—The man would form a general estimate; he would perhaps have seen this farm being improved for years under his eyes, and he would say: I should not mind giving so many hundred pounds for the sake of getting that farm. The out-going tenant and he would have an opportunity of bargaining together. The out-going tenant would point out what he had done clearly, and the man who intended to purchase could inquire of the labourers on the farm. There would be plenty of opportunity of getting at the knowledge gradually.

27,608. Cannot valuers get at the same knowledge?—I do not think they would take the trouble if they could: I do not know whether they could.

Fixity of tenure and free sale of improvements.

27,609. (*Chairman.*) Then I gather from you that although in principle you rather dislike free sale and judicial rents, yet that you practically admit that the adoption of free sale would almost inevitably induce the other two principles?—Yes, you must have something of the other two principles.

27,610. It means a continued repetition of the same things does it not?—I would not have fixity of tenure sufficient to keep the landlord out of all power of resuming his land.

27,611. But he is only to resume apparently by agreement with the tenant?—By paying. I think he should have the power of resumption if he can give as much as the tenant can get elsewhere.

27,612. If the tenant is not satisfied with his payment he would have the right to get the higher payment from somebody else?—Yes, if he could get more, but the man must be a solvent man to whom the landlord has no reason to object, on entering his farm.

27,613 (*Mr. Lambert.*) Who would decide that?—The court. There must be a court of arbitration—some sort of arbitrators; you must have what is called a land court—I suppose you may call it a land court, or the county council might appoint arbitrators, or the county court.

27,614. Has your proposal been adopted by any large bodies of tenant farmers?—It was adopted by the Farmers' Alliance, but it was not popular with a great many. I should say that the majority of farmers in this country would be against me.

27,615. It was adopted by the Farmers' Alliance, but not universally?—The public opinion among farmers has grown very much in favour of it since the time when we brought it forward, especially in Lancashire and the north of England, but I do not think they are very clear and logical in some of their statements on the point. I think that the only alternative to free sale is unlimited improvement on the part of the tenant. I would not have any limitation in the way of schedules, and in that case there would be a great hardship to the landlord in having to pay an unlimited sum of money for improvements which he had not sanctioned. Then you have another difficulty; how are you going to prevent the landlord from saying to the tenant, "If you make those improvements I shall turn you out of your farm"? Those are among the reasons which induce me to advocate free sale, because there are so many difficulties in the other system.

27,616. Does not the difficulty mainly arise from the prevalence of the system of yearly tenancies, and that if a system of leases was to prevail the difficulties would not occur?—I do not see how leases could make any difference to them. Do you mean to say that the landlord could not turn the tenant out while he was making improvements?

27,617. Yes?—Of course he could not under a lease, but then English farmers are averse to leases at the present time, and they seem to be getting more and more out of favour with Scotchmen.

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The Agricultural Holdings Act. The schedules.

27,618. Short of this proposal of free sale, have you any suggestions to make with regard to the amendment of the Agricultural Holdings Act?—Yes, I should abolish the schedules altogether, and let the valuers ascertain as nearly as they could to what extent the farm had been improved. I mean to say that I would not have limiting schedules, and that anything which improved the farm should be paid for.

27,619. Would you leave the arbitrators to determine on a view of the farm, what the value of the improvements effected by the tenants had been?—Yes, and particularly including the gradual improvements.

27,620. Quite irrespective of whether the tenant has laid out more or less money; irrespective of what his actual outlay has been?—I think that is a great fault in the Act. I would not have outlay rule the compensation at all. It is the increase in the value of the farm which should determine the compensation.

27,621. (*Mr. Channing.*) By the fault of the Act, do you not rather mean the fault of the valuers in using the Act?—Yes, I think they have misinterpreted the Act in that respect. It was to be the value to the incoming tenant. Still they have all decided that it should be based on outlay. It is limited by outlay, and it is limited also by the value to the incoming tenant.

Market monopolies.

27,622. What other suggestions have you to make? you have spoken of the reduction of the burdens on land, of the prohibition of gambling, of the prevention of preferential railway rates, of better dealing with dilapidations, and of the reduction of railway charges; I see you have a note as to the abolition of market monopolies, do you consider that a matter of importance?—Yes, as far as I understand it. I see the evil of it in this centralised system of sending everything to London, as for instance fruit, to Covent Garden first, and then letting it be distributed to the smaller towns. I think that is an evil. I suppose there was a great grievance when they were about to open the market near the terminus of the Great Eastern Railway Company and were not allowed to do so because some charter stood in the way. I do not think any market charter ought to stand in the way of opening a market where it is wanted. Then the system of forming rings among the salesmen in the meat market and in the fruit market is an evil which I think the monopoly of markets tends to foster. I think if we could have free trade in markets the rings might be broken up to a great extent. I am told by fruit growers and also by men who send to the meat market, that you are never certain of getting the price your particular meat or fruit makes; you get an average. Of course that is a very unfair system.

Labourers.

27,623. In your investigations into the condition of labourers in the counties that you have named, did you find on the whole that their condition was improved as compared with a few years back?—Yes, they admitted it themselves and their wives all said so.

27,624. Was that mainly owing to the low prices?—Yes, it was mainly owing to the low price of everything they have to buy.

27,625. Could you form an opinion of what they gained on the percentage of their wages?—Through the low prices?

27,626. Yes?—No, it would be a great difficulty all round to form an opinion of that. Of course it depends on the extent to which they spend their earnings in food.

27,627. I suppose food is the main portion of their expenditure?—Yes, no doubt.

27,628. Do you think that they have consumed more meat of late years?—Yes, I think they have a little more; in many counties they certainly have meat oftener than they used to.

27,629. They have meat oftener than they did?—Yes, I think undoubtedly they do in many counties.

27,630. Do you find that their money wages have either been maintained or somewhat increased?—They have not been much increased. In some counties there was a slight increase since the Duke of Richmond's Commission sat, and in others they were about the same.

27,631. Was there anywhere a reduction?—I should think that the men in many cases earned less, because there is a great diminution of their harvest money. No doubt in some cases the men were complaining that their harvest money came to very much less than it used to, partly owing to the decrease in corn growing, and partly to the use of reaping machines.

27,632. Apart from that were the weekly wages reduced?—The ordinary weekly wages where I went were rather raised, they were rather higher than lower.

27,633. And having regard to what they could get for their wages the improvement was considerable?—Yes, no doubt it was considerable.

27,634. Did you find many labourers out of employment?—No.

27,635. Very few would you say?—Very few men out of employment, unless they were considered worthless sort of fellows. Wherever I went it was the testimony of the relieving officers that no steady men were out of employ.

27,636. Did you find a fewer number were being employed generally?—A fewer number were being employed, but then there were a fewer number to be employed.

27,637. They had left the rural districts for the town districts?—Yes, they had; but not to the extent people have been talking about in the way of an exodus. I was rather surprised to find how small it was in some of the districts. Bedfordshire was the worst.

27,638. What should you say was the percentage?—In some cases it was only from 2 per cent. to about 5 per cent. in 20 years, in other cases it was about 15 or 20 per cent. In Bedfordshire I cannot remember now what the percentage was exactly, but I know it is very high in Bedfordshire.

27,639. (*Mr. Lambert.*) Are those figures stated in your reports?—Yes, they are all given.

27,640. (*Chairman.*) Then did you find in those districts that the rents had been largely reduced?—Yes, the rents had been greatly reduced in all the districts I went into.

27,641. Take one of these rural districts where the labourer has derived considerable benefit from the reduction of prices and where his wages are somewhat increased; where the rent has been reduced, and where the farmers' profits have been low; does all that not mean that the labourers get a larger proportion of the produce of the land than they did?—Unquestionably it does, a little larger; but I think that if we had had times of prosperity the condition of the agricultural labourer would have been even much better than it is, if we had had prosperous times for the last 10 years.

27,642. Then he might lose by the raising of prices?—I do not think so. I think if wheat had been at a moderate price, the labourer would have been much better off than he is now.

27,643. Do you think that his wages would have increased still more?—I think they would have increased very greatly, because the demand for men would have been very much larger than it is. Wherever I went I found that the farmers were cutting down their labour expenses to the utmost possible extent, they were not doing things that they would have done years ago; they were economising in the meanest possible way; in what would have been considered a mean and disreputable way in years gone by, and I think the men have very much less piece work than they used to have.

Market rambling.

27,644. (*Mr. Lambert.*) You, I believe, have an idea that the system of options has a considerable effect upon the price of corn?—Yes, I think so.

27,645. Is it the fact that the price of corn for future delivery is larger or higher than it is for present delivery?—Yes, there is a little difference, but there is always a difference to cover what they call carrying charges. Of course with fictitious grain that is a mere pretence, but in the sales of actual corn for future delivery it was necessary to allow the holder a certain sum of money to cover the expenses of holding this wheat in the granary.

27,646. But with the fictitious wheat, of course there is no necessity for carrying charges?—There is really no necessity for it, but they have adopted it.

27,647. Why should the purchaser pay those carrying charges?—It has been the custom always to allow them. Of course if he did not allow it the other man would have to ask for more, I suppose, to cover the risk. These carrying charges are a great advantage to the man who sells. They keep on decreasing as the contract matures, so that when the contract comes to an end they disappear altogether.

27,648. Why do you think this system of selling wheat has any effect upon price?—In the first place because it creates an enormous fictitious demand and swamps the market with fictitious wheat, because all the markets in America which quote prices at all are option markets and the prices of spot wheat actually depend on the prices of options.

27,649. Why should it have an effect upon the raising or lowering of the price?—I think if you swamp the market with anything the natural result is to have a fall in the market.

27,650. If you swamp it with something naturally, but not anything unnatural or of a flimsy nature?—If you swamp the market with offers of fictitious wheat it cannot be very readily distinguished from real wheat. Nominally you are bound to deliver according to the rule of the exchanges; or rather you are bound to contemplate delivery in every sale, so that it is difficult to say whether a man is selling for actual forward sale or to know when you see market reports whether he is selling options.

27,651. But is it not a fact that for every seller there must be a buyer?—Yes, of course there must.

27,652. Then why does it have the effect of raising or lowering prices when you set one against the other?—I think if you create an over supply it does not matter that you have a buyer for everything. It still lowers the price. There is a buyer for everything, but it is a buyer at a lower price.

27,653. You do not increase the supply; it is only a bet on this article?—You increase the nominal supply. You flood the markets with offers of wheat, and I maintain that if you flood the markets with offers of wheat, and offers of wheat which actually fix prices, you lower prices. The prices of real wheat are really fixed by the option prices in America.

27,654. Where is the great option market in America?—All the Board of Trade markets are option markets in America, but the New York and Chicago markets are the chief ones.

27,655. Is there much trade in options done in Russia?—I do not know. I understood that had been prohibited in Russia. I do not think there is much done in any European country.

27,656. You think the system of options tends to depress prices?—I feel confident it does, and all the American farmers seem to be of the same opinion.

27,657. How is it that the price in Russia, where there is no option, is lower than the price in Chicago, where there are options?—Of course it depends a great deal upon the cheapness of conveying the corn to market.

27,658. I mean the prices for delivery here?—The prices in Russia are lower?

27,659. Yes?—The interior of Russia, I presume. That would be because of the expense of bringing it to the seaboard.

27,660. I mean to say on the market here?—I do not understand.

27,661. The prices quoted for delivery here from Russia are lower than they are for delivery from Chicago?—The prices of Russian wheat?

27,662. Yes?—The quality might be inferior.

27,663. Do you think there is so much difference in the quality as the difference in the quotation?—I had not noticed the particular difference in the quotations of Russian and American wheat.

27,664. Is it not a fact, too, that if a man sells wheat, he would naturally hold a certain amount to cover his sale? He would tend to keep back a certain amount of wheat from going on the market?—No; I do not think the option system tends to keep the wheat from going on the markets. It seems to have tended rather to induce the farmers to sell out directly after harvest more than ever they did before.

27,665. That would be real wheat?—Yes.

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27,666. But we are talking of fictitious wheat?—I do not quite see the drift of your question.

27,667. If a man sells options, is it not probable that he will keep a certain amount of real wheat to cover his transaction?—No, I do not think he does. I do not think he takes that trouble at all, because it is so thoroughly understood that there will be no delivery required. I am told that it does not take place in 99 cases out of a hundred.

27,668. That is quite true, and therefore I wanted to know how it affected price?—I think it also affects the price by the great lack of security in the markets which it induces. Of course, if you disturb the sense of security in a market you make a weak market, and a weak market is a falling market, as a rule.

27,669. Are not the lower prices owing to the greater power, the cheaper prices, and the larger amount of wheat being brought into cultivation?—Unquestionably; over supply is the chief cause of lower prices.

27,670. I presume if the supply were restricted below the demand, prices would go up again notwithstanding the option system?—Yes, in spite of the option men. They could not possibly prevent it and a great many of the men who are now bears would become bulls and try to force prices up all they could.

27,671. I suppose there must be a bull where there is a bear, and a bear where there is a bull?—Yes; but I think if you compare the former system with the present one you will see that in the former system every man who bought wheat, as soon as he bought wheat was anxious to see it go up, and as far as he could influence the market at all he would help to send the price up. But nowadays when a man buys wheat he sells an option against it, and then it may be to his advantage to have the price go down more than it is to have the price go up. So comparing the system when there were no options with the system when there are options it is absolutely demonstrable that the tendency of the new system is rather to send prices down, because all the men who were interested in the old times in sending prices up are now, or a great many of them at least, just as much interested in sending them down.

27,672. But then also there is an equal number of people wanting to send prices up?—No, I do not think so.

27,673. (*Mr. Giffen.*) You said that when a man buys wheat now he sells an option against it. Do you not mean that he buys an option?—No, he sells an option against it. If a man buys a hundred thousand bushels of wheat, he sells against it by way of security.

27,674. He sells against it, I understand, but he does not sell an option?—Yes he sells an option against his purchase.

27,675. He rather buys an option to put the wheat? Is that not the right way to put it?—No, he would sell, if he wanted exactly to balance his risks, if he had bought 100,000 bushels of wheat he would sell 100,000 bushels of options; then if the price fell on what he bought he would lose on that, but he would gain on what he had sold in options.

27,676. Would he not sell out and out and not sell an option? The equivalent of buying wheat to my mind, is that he should purchase an option to sell or sell it out and out; but he does not sell an option, and I wish to understand what it is that he does?—That is what he does; he does sell an option. If he buys 100,000 bushels of wheat and wishes exactly to balance his risk, if he can sell an option at the exact price at which he has bought, he neither gains nor loses.

27,677. Of course, if he sells an option and he has not neutralized his purchase at all, he is entering into a new engagement of a very difficult kind?—On his 100,000 bushels of wheat he has got to pay, we will say, 100,000 half dollars, and on the option that he sells he has got to take 100,000 half dollars; that is to say, he would have, if it were a case of delivery.

27,678. What is it that he sells when he sells an option, is it a privilege to somebody else to take the wheat from him?—No.

27,679. But that somebody else may not take it?—No, an option may be at the buyer's or the seller's privilege of delivery, if there were any delivery; but an option that is sold on London by importers is merely an agreement to pay the differences in price; so really in selling this option he merely makes an insurance that any fall in price which takes place in the real wheat that he has bought will be covered.

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27,680. What is it that he sells, what is the engagement?—Supposing he had bought 100,000 bushels of wheat which he expected to arrive in September, he goes and sells a September option against that wheat as a security. He sells 100,000. We will say that he wishes exactly to cover his risk; then he sells 100,000 bushels of wheat at the highest price he can get, to be delivered (nominally) in September. When September comes—I need not go into the intermediate settlements which occur in the clearing house day after day—if the prices have gone down 5 cents a bushel he loses 5 cents a bushel on the wheat he has purchased which he has just got come into the docks; but he gains 5 cents a bushel on the option that he has sold, and he takes that difference, supposing he sold at the same price at which he bought his wheat.

27,681. I am rather wishing to get at the explanation of the technical terms, and I think from the description that you have given now, that he sells out and out; that he does not sell an option, and that is the explanation of the technical phrase which I wish to have?—He sells nominally 100,000 bushels of wheat.

27,682. He sells out and out; he contracts to deliver so many bushels?—No, he does not mean to deliver at all, he only means to take the difference.

27,683. But that is the contract?—Yes, that is the contract.

27,684. It is an out and out sale therefore, and not an option?—It is what they call an option or a future; it is really a future, and the old term "option" no doubt ought to be discarded altogether now. In the old times it used to be optional on the buyer's or seller's part to deliver or not, but now, according to the rules which are made in the exchanges, you are nominally bound to contemplate delivery, only everyone winks at it when you do not deliver.

27,685. Have you any options properly speaking still?—There is no distinction as far as I can see between an option and a future now; that is, all options are really futures.

27,686. Then you are different from the Stock Exchange where you can still deal in options?—I do not know anything about the usages of the Stock Exchange. I have been told there was nothing exactly equivalent to options in wheat on the Stock Exchange.

27,687. (*Mr. Lambert.*) May I ask you one more question of fact on this matter? There has been some attempt at passing an Option Bill through the American Legislature, has there not?—Yes, the Anti-Option Bill was passed through the Senate last year.

27,688. What is the effect of that?—It has not become law; it was passed last year through both Houses really, only it was sent back as amended by the Senate to the other House and when it got back there was no time to get it through owing to the obstruction being too great. This year it has been passed by the House of Representatives, and it has now gone to the Senate, but it is supposed there that there is bribery. I am told that hundreds and thousands of pounds have been spent to obstruct it.

27,689. When it passed the House of Representatives was it not the fact that the price of wheat in Chicago fell?—Of course I cannot tell what effect that would have, it would no doubt create a great deal of unsettlement to begin with, and would unsettle the markets possibly.

Judicial rents.

27,690. Are you in favour of judicial rents?—No, not as a general rule, except so far as they are necessary to secure free sale.

27,691. Which do you consider the greater evil of the two, or rather I will put it the lesser benefit, free sale or judicial rent?—I think free sale is the only thing that I care to get; I would only use judicial rents as far as it is necessary to secure free sale.

Free sale of improvements.

27,692. If you put up improvements to competition would that not tend to increase the competition for farms?—No, I do not think so, because a man must have a certain amount of capital in order to take a farm and to buy the tenant right. I should think, therefore, that it would rather diminish competition for farms.

27,693. But you would allow the landlord no option in saying as to whether a man should have the highest bidder for those improvements?—I would allow him to object to any man who was, from any point of view, objectionable.

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27,694. What tribunal would you have to decide that?—I do not know that I have exactly fixed on a tribunal; of course there would have to be a kind of Land Court in each county, before whom such disputes should be settled.

27,695. I want you to go a little further; would you give the landlord the right of objecting because of the excessive price paid?—No, I do not think I should.

27,696. If a man bid to any amount, even if it were largely in excess of the value, would you give the landlord the right of objecting?—No, I do not see what difference it would make to the landlord.

Compensation for disturbance.

27,697. Would you be in favour of compensation for the capricious disturbance of a tenant by a land owner, presuming that a tenant was making improvements which were for the benefit of the holding and the landlord turned him out?—Yes, I would in that case, if you do not have free sale. Under free sale a landlord could not turn a tenant out very well.

27,698. I am suggesting an alternative plan?—Yes, I think a tenant ought not to be turned out because he was making improvements against the wish of his landlord; in fact, I would not allow it to be done. If you do not have free sale, you must have some scheme by which a man shall be entitled to improve to the utmost of his desires without being turned out for doing so.

27,699. If he is turned out would you give him compensation for that disturbance?—If you are going to allow him to be turned out, I think I should; but I have always opposed compensation for disturbance. It is unnecessary if you have a thoroughly good tenant right system.

27,700. (*Mr. Channing.*) But you must have either that or fixity of tenure, must you not?—I think perhaps you must.

Market gambling.

27,701. (*Captain Owen Thomas.*) I suppose you attribute the fall in prices of wheat to gambling in futures and options?—To some extent.

27,702. To a great extent?—I think that over production has been the chief cause. We have had two enormous crops in succession in America, followed by one average crop; that accounts for the great fall in wheat which has taken place in the last three years; but I think options have tended also to send the price down very much further than it would otherwise have gone.

Price of meat.

27,703. To what do you attribute the fall in the price of beef?—I think the temporary fall in price which took place about a year or two years ago, or three years ago, it began three years ago, was mainly caused, in the first place, by a prolonged winter, which forced farmers to sell at any price. In the next year there was a very similar season, last year that is to say, which forced them to sell again—the drought. In the first instance a prolonged winter, which prevented the spring feed from growing; in the second place it was a drought which killed the feed, or prevented it from growing. I think these were the two causes which sent down the prices to a certain extent. Of course there were the increased imports from America as well.

Fall in prices.

27,704. Do you not think foreign competition was the main reason why prices have gone down very much?—Yes, I think that is the main reason of the steady fall in prices, but the exceptional fall which took place between 1892 and 1893 was caused mainly I think by the seasons preventing the growth of feed.

27,705. Do you know what the present price of wheat is?—The average last week was 27*s.* 1*d.*, I think.

Cost of production abroad.

27,706. Would you say that that is below the cost of production in foreign countries?—Yes, unquestionably I think it is. The Department of Agriculture published a statement the other day to the effect that 25,000 American farmers sent in statements of the cost of wheat growing, and the Department of Agriculture published a summary which showed that the cost of producing wheat was nearly half as much again as the present price.

The gold premium in Argentina.

27,707. I saw a statement in the *Standard*, I think, the other day, to the effect that the South American farmers, the Argentine farmers, could send wheat here for 22*s.* 6*d.* a quarter?—With their gold premium of 300 per cent. I think it is very likely they can.

27,708. (*Mr. Giffen.*) Is that not the price of gold in paper?—Yes, but they sell wheat at gold prices, they buy land at paper prices and pay wages at paper prices; everything that they spend in the country I am told is spent at paper prices; but they sell their wheat at gold prices with the 300 premium on the gold.

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27,709. Is not the premium of 300 the price of gold in paper and does it not include more than the premium, I am merely wishing to get exactly at the facts?—I suppose that gold being at a premium of 300 per cent. means that 100 dollars in gold would buy 300 dollars in Mexican currency. Would not that be the meaning of a gold premium?

27,710. I am merely desiring to have the expression quite right, because I think the dealing is in paper, and it means, as far as I can grasp, that if you give 300 dollars of paper for 100 dollars of gold or something of that kind; I wish to know what it means exactly?—That is what I understand the gold premium to mean, if it does not mean more than that. I see that the dollar is valued here in Mr. Gastrell's last report at 1*s.* and I suppose the original value was at least 4*s.*; so that it looks as if 300 per cent. premium meant 300 in addition to the actual balance in values.

27,711. (*Capt. Owen Thomas.*) Is it not a blessing to the community that they should have cheap bread?—Unquestionably, but I think they might have cheap bread if wheat were 50*s.* a quarter.

Wheat growing in America.

27,712. As long as it is not sold under the cost of production, I mean to say in those countries where you say their currency has something to do with it, I do not see that there is much harm in selling for 25*s.*?—I do not think that anyone ought to wish that the man who tills the soil should have too little in exchange for his labour.

27,713. If it can be produced in other countries for that price I do not see why we should have a fictitious value placed on it?—I am not arguing in favour of it; I am only arguing for the removal of artificial conditions which enable people to have an advantage in one country which those in another have not.

27,714. Do you think farmers would go on producing wheat if it did not pay them?—They are not going on to the extent they did; they are growing less and less, and they are growing less in America now.

27,715. Do you not think that supply and demand will have something to do with it later on?—I think ultimately, in the long run, the thing will right itself; unfortunately the long run means a very long time sometimes and it means the ruin of hundreds and thousands of farmers in the mean time. I think people will grow wheat until they are nearly ruined; in all new countries of course it is a ready-money crop and it is the only thing they can be certain of selling.

27,716. (*Mr. Channing.*) I think you said that the American area of wheat was not increasing?—No, it is decreasing considerably now.

27,717. The prices of wheat in America have gone down enormously, have they not?—Yes.

27,718. What is the price of wheat now as compared with the price 20 years ago?—I suppose compared with even 10 years ago it is not much more than half. It has been down to a few cents over 50 or a half a dollar a bushel in New York this year, but it used to be said that a farmer could not grow wheat at less than a dollar a bushel.

27,719. I have referred to an interesting paper of yours, read last year, on agricultural distress and its remedy; there you state the money value of the crop per acre of wheat at 33*s.* 6*d.* in 1891, I think is the year, as compared with 60*s.* 6*d.* in 1872; can you tell me on that whether it has still further depreciated in America?—Yes, the farm price has been much less than 33*s.* an acre in one or two years. This last year it must have been the lowest of all. I suppose my figures that you are quoting related to 1892.

27,720. 1891 I think?—1891 was a year of comparitively high prices; in 1892 the farm value must have been less, but I cannot remember now. I have all the figures at home. I should think it would be about 25*s.* an acre last year.

27,721. In this paper you expressed some confidence that this question of prices will ultimately adjust itself, based on the relation of food production to population; do you adhere to that now, after that last year's experience?—Yes, I believe that in time the people will be so disgusted by the prices that they will go on growing less and less in countries like America, until the

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supply is barely sufficient for the demand, and then there will be a rise.

27,722. And in the meantime the population is rapidly increasing?—The population is rapidly increasing. I agree with Mr. Wood-Davis who has attempted to demonstrate that population will encroach upon wheat gradually and that we must have much higher prices a few years hence, but I think that in the meantime the impediments to fair play should be removed.

Free sale of produce.

27,723. With regard to the value of an acre of wheat in England, I suppose it would be fair to say that the value of an acre of wheat now was scarcely more than one-half what it was in 1879, the worst year on record; is that the case?—Yes, I suppose the price was nearly double in 1879 what it is now.

27,724. Does that increase in your opinion, the desirability of giving farmers either by agreement or by some statutory right the right of free sale of straw and hay and other produce?—Yes, it is perfectly ridiculous to compel farmers to consume hay and straw when they can get four times or sometimes eight times the manurial value by selling them in the market.

Loss on value of produce and reduction of rent.

27,725. At what would you put the total loss to agriculturalists of the gross value of produce in the last 20 years?—I could not say.

27,726. In this paper you put the gross value at 96 millions sterling, equal to 2*l.* an acre, would you adopt that as your opinion now?—I should think the returns would average quite 2*l.* an acre less than they used to.

27,727. The farmer, remember, has low rents to pay, and he pays less for labour and less for the articles he buys?—Yes, he spends less in labour although paying about the same wages.

27,728. I think you said something about rents; is it your opinion that the rents generally prevailing to-day are still greater than they were 40 years ago?—I think they must have pretty well got down. You see in some parts of the country they are much higher than they were then, in other parts I should think they are lower than they were 40 years ago. They are much higher in the north of England, as in Lancashire, Yorkshire, and Northumberland; and they are much lower than they were 40 years ago in Essex I should think and in Hampshire.

27,729. The income-tax returns show that the landlords have 12 millions sterling less than in 1879; I suppose you would add to that the remissions of rent, which would increase considerably the loss to the landlords?—They are allowed for by the Commissioners in the income-tax returns; but it is more than 12 millions sterling now; that figure was arrived at two years ago, I think.

27,730. The loss to the landlords would now be considerably more than that?—Yes; I do not suppose the remissions are all taken account of.

27,731. Taking this figure of yours as approximately correct, of 96 millions sterling, or 2*l.* an acre, have you formed any opinion as to what share in the loss the tenant farmer has?—Of course anything of that sort is nothing more than a guess, and I have always been rather against publishing guesses in the way of statistics. A great many calculations have been made, and in that paper which I referred to some of those calculations, and said that no one could possibly tell at all exactly, but that I thought there was very good reason to believe that the loss was as much as 2*l.* an acre on the cultivated area.

27,732. Do you think the farmers have been enabled to obtain reductions of rent sufficiently promptly to make the sharing of the loss in agriculture fair as regards the tenant farmer?—No, I do not think they have. Many of the old tenants were not allowed any reductions in rent until they were ruined, and then the reductions were given to new men. I think it has been a great complaint in many counties that the reductions were not made soon enough, and that the farmers lost their capital before the reductions came to help them.

27,733. Has the farmer, in giving notice to quit, in your opinion, a sufficient remedy to enable him to obtain a reduction of rent?—I do not think that his notice to quit has been any incentive, until quite recently, to the landlord to give him what he wants in reduction of rent.

27,734. The notice to quit is in bad times in the case of improving farmers, almost a more serious thing than in good times, is it not?—Yes, very much.

27,735. He has sunk his capital, and therefore has more motive to remain and try to get something out of it?—Yes.

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27,736. I think you said that in your opinion many farmers not supplied with the concessions which have been made by good landlords have been bled to death by the exaction of rents which could only be paid out of capital; greatly to the injury of their farms and the ultimate loss of their landlords; do you adhere to that statement?—Yes. During the last few years the reductions have been almost universal, and in many cases land is now let at an extremely low rent.

Compensation for improvements.

27,737. I have put these questions to you because I want to ask whether you do not attach some importance as regards the failure of agriculture and the loss of farmers' capital to the refusal of the suggestions made in 1883, when the Agricultural Holdings Act was discussed, that the sitting tenant when quitting should have the right to have his improvements considered in any alteration of the terms of the tenancy?—I do not know whether it has had that effect because I do not think rents have been raised since 1883. There has been no raising of rents as a rule on anything, so that they could not be raised on the tenants' improvements.

27,738. If a tenant when quitting a farm could be compensated on his improvements on any change of the terms of the tenancy, or on his tenancy coming to an end, say in the case of a leaseholder, would he not be in a much stronger position with regard to obtaining an adequate reduction?—Apart from the disturbance of rent I cannot see any occasion for a man to be compensated in the middle of his term. I have never been able to see that.

27,739. Then you do not adopt Sir James Caird's views which were advanced in 1883?—I never could see any great reason for compensating the sitting tenant unless the rent was to be raised, and then I say that the landlord, before he should be allowed to raise the rent, should pay compensation, otherwise I do not see why a man should not be allowed to realise the results of his own improvements.

27,740. Do you not think it would have been desirable, and that it would have diminished the agricultural depression, to have given an improving tenant a right to have his improvements considered in obtaining a reduction of his rent?—Yes, I think his improvements should fairly be considered. I think there is a fair ground to value the improvement if the landlord demands an increase or the tenants demands a decrease.

27,741. In the case of a farm, the value of which has been kept up by the improvements of a tenant, whereas other farms in the neighbourhood have gone down, would it not be fair for the improving tenant to ask to have his improvements considered, and the rent reduced in proportion to that?—Yes, I think it would be quite fair.

27,742. Otherwise would he not be rented on his improvements, which is as much, although rents were falling generally, as he would be if rents were being raised generally?—Unquestionably he would, and in many cases no doubt a man has had his rent kept up, mainly through his own improvements.

Freedom of improvement.

27,743. There are one or two points about the proposals which I do not think you have been asked questions about in your brief. Have you been asked whether there should be any restriction upon the liberty of improving land?—No, I have not been asked that question.

27,744. Would you give the tenant a perfectly free hand in improving land?—Yes, I think it is obviously in restraint of agriculture to prevent the improvement of land, and I think that if the landlord and tenant system is to be kept up, it should not be allowed to be a bar to agricultural improvement.

27,745. You would not give the landlord any right to refuse?—No, I would not; if the landlord objects to having to pay the capital value of the annual improvement added to his estate, I say let him accept free sale, and let the tenant get what he can.

27,746. Do I correctly understand your suggestion to be that this liberty of improving should be confined to the temporary improvements in the third part of the first schedule?—No.

27,747. Or that it should have regard to building and the making of gardens and first class improvements?—I think it is desirable that the landlord should erect the

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buildings, but I would not limit the tenant. He must take the risk, and if he erect a building which is not suitable for the farm then the valuer would not allow him anything to speak of for it. For instance, if a man chose to build an extravagant brick and slate building for a cart-shed, costing about twice as much as a useful one would, the valuer would certainly be justified in not allowing more than half the cost.

27,748. Would you allow the tenant to do what he liked in that way, and rely entirely upon the decision of the valuer as to whether it was an improvement?—Yes.

27,749. Have you considered the suggestion in the Bill that I have had before Parliament, and in the Welsh Bill, and also in a Scotch Land Tenure Bill, several Bills that have been before Parliament, that in case the landlord refuses to carry out, or to allow a tenant to carry out, first class improvements, there should be a reference as to whether it is an improvement suitable to the holding?—I have noticed that.

27,750. Do you approve of that?—Yes, I think it is a very good introduction.

27,751. Would you approve of that, rather than having what you have just stated to be your own view, that is that the question of the suitability should be tried before the improvement is executed?—No, I should prefer my own, but I think that the other is a great improvement on the existing state of affairs. I should prefer to leave the improvement perfectly open and free.

27,752. I do not know whether you have taken any interest in the Market Gardener's Compensation Bill, which has just passed through the Standing Committee on trade; have you followed that at all?—Yes.

27,753. Are you aware that the principle which I have just put to you, that there should be a reference in case of refusal, was adopted by the Standing Committee in regard to that Bill?—Yes.

27,754. Do you approve of that?—Yes, I approve of that as far as it goes, but I would prefer it to go still further.

27,755. You would prefer perfect freedom with power to sell, the landlord to be on the same footing as any other purchaser of the improvements?—Yes, I should prefer that plan. But I understood your question to be apart from free sale only, on the valuation system; I say if the Government or Parliament will not grant free sale to tenant farmers, I think they ought to grant them perfect liberty to improve with a perfect claim for the value of their improvements, so far as those improvements are suitable to the holding.

27,756. With power to the landlord to obtain a reference on the point of suitability?—Yes, afterwards.

27,757. (*Viscount Cobham.*) And not on the point of whether it was an injury to the estate generally?—Of course I would make a man pay compensation if he injured the estate generally.

27,758. (*Mr. Channing.*) In case a tenant was visibly carrying out what he supposed to be an improvement but what was really a detriment to the holding for the purpose for which it was let, would you allow the landlord to step in and obtain an injunction against that?—I should not object to that at all; it would save a lot of trouble. Still my idea is that there should be perfect freedom of improvement, and that the tenant should take the risk, either by free sale or by valuation of what the improvement proves to be worth to an ordinary incoming tenant. If a tenant engages in a special industry and carries out improvements only suitable for that special industry, and the farm is not likely to be let to another tenant who would carry on the same special industry, I think the tenant would have to lose the improvements to a great extent.

The Agricultural Holdings Act. The schedules.

27,759. I understand that if you substitute for the existing Agricultural Holdings Act another Agricultural Holdings Act based on the principle of valuation you would strike out the schedules from such an Act?—Yes, I should certainly have no limiting schedules.

27,760. Would you give this freedom to improvements which you describe and then valuation of the whole added value or the whole decreased value to be paid on either side, without schedules?—It would be a very good plan to have it a rule when a man goes out of a farm that every field should be examined and its condition described in a schedule for the guidance of the valuer who next has to ascertain the improvement or deterioration of the farm.

27,761. Have you considered the report of the committee appointed by the Central Chamber to consider this question?—I was away in Switzerland when it was being discussed.

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27,762. Are you aware that they proposed very materially to alter the schedules as regards the tenant and that they also suggested a schedule of dilapidations for the landlord?—Yes, and I am quite in favour of that. In the Farmers' Alliance Bill the landlord was protected against deteriorations, and he had the power to apply to the court for an injunction to restrain a man, and even to turn him out in an extreme case.

27,763. That is, if you have schedules on the one side, you think it would be better to have schedules on the other?—Yes, I do.

Landlord's claim for dilapidations.

27,764. Do you think it would be also fair to give a landlord the right, supposing you had an Act of that kind passed, not your own Free Sale Act, but another Act on the valuation principle, to set the Act in motion, and are you aware under the Agricultural Holdings Act he has not that power?—I do not see why the landlord wanted it, because the landlord had the power before the Agricultural Holdings Act was passed. The landlord has always had the right to claim for dilapidations, and he did not want to have any Agricultural Holdings Act at all, as far as the dilapidations go.

27,765. Then you do not attach any importance to that?—I do not, because I say the landlord always had the right, and has it independently of the Agricultural Holdings Act. Of course he has it in a civil action only, and in this case he would get it before an arbitration court, so that it would be an advantage from that point of view.

Court of arbitration.

27,766. Would you state to the Commission what you suggested in the Farmers' Alliance Bill, and what you think is the best suggestion, supposing such a proposal were ever adopted for the tribunal to settle questions of rent, and so on?—The Farmers' Alliance was hampered by there being no county council then; I have no doubt if the Farmers' Alliance Bill was being drawn now the county councils would be instructed to appoint arbitrators to sit as a land court.

27,767. Was it a suggestion of the Farmers' Alliance Bill that the county court judge should sit with assessors appointed by the landlord in his interest and also appointed by the tenant in his interest?—It was left to the county court to a great extent, I see, in the alternative Bill.

Free sale of improvements.

27,768. The alternative Bill is the Bill I am familiar with?—The first Bill was for free sale only, but the second Bill had the alternative of valuation or free sale, and the landlord could choose which he liked.

27,769. In the second proposal, which I remember best, I think the landlord had the right, and I think this will answer one of the questions the Chairman put to you, to insist upon the tenant going out under the principle of compensation by valuation instead of by free sale?—Yes.

27,770. In case the tenant wished to sell his holding the landlord might say, you must come out under the principle of valuation. I think that was the principle of it, was it not?—Yes, in this alternative Bill the landlord had the choice of paying the tenant compensation, or of letting him get what he could upon the market.

27,771. (*Viscount Cobham.*) Was this your own opinion?—That was in the Bill of the Farmers' Alliance. My own opinion was in favour of free sale, but it was over-ruled by the unpopularity of free sale at the time, and we were induced to adopt the alternative; but I am not giving that as my opinion.

27,772. (*Mr. Channing.*) You prefer free sale?—Yes.

27,773. Have you considered the Land Tenure, (England) Bill, which was before Parliament last session? I mean Mr. William Smith's Bill?—I remember reading it at the time but I have not borne it in mind much.

27,774. You have not considered it carefully?—I cannot say that I have, lately; I almost forget what it was now; I do not think I quite agreed with it.

The law of distraint.

27,775. Have you a strong opinion as to the law of distress?—Yes, I have always been strongly in favour of the repeal of the law of distress.

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27,776. Under present circumstances?—Under present circumstances it has not been a crying evil, because it has enabled a good many farmers, perhaps, to hold on who otherwise would have been turned out. But I think it is wrong; I think it is an injustice to other creditors, and I think in times past it has done a great deal to enhance rents by giving the landlords a security which they ought not to have.

Credit banks.

27,777. You have followed, doubtless, the exposure of the system of usury under which a great many farmers have suffered?—Yes, I should like to see agricultural credit banks established for that reason.

27,778. One great necessity of agriculture is the further application of capital to holdings in the way of improvements and so on, is it not; land is in great want of additional capital being applied to it in order to increase its productive power?—Yes, of course the tendency in recent years has been to cut down expenses in every possible way, instead of spending money on land.

27,779. (*Viscount Cobham.*) What class of money-lenders are you referring to; have not tenant farmers banking accounts as a rule?—There are a great many farmers who have got beyond the credit of the banks and have got into difficulties as I see by some revelations which were made in the *Pall Mall Gazette*, I believe through information given by the Secretary of the Association I am connected with for establishing agricultural credit banks.

27,780. The ordinary banks do not charge usurious interest, do they?—No, the ordinary banks do not, but there are some which advertise. The number of advertisements of loans by these usurers in the local papers, the country papers, is surprising. I have never noticed it before, but I had a number of cuttings sent me from different papers.

27,781. Do you think a man with fair credit would fall into the trap?—No; of course it is the men who have lost their credit who fall into the trap, men who have had money from the banks as far as they can, and possibly lost it, or at any rate not being able to repay it, and who cannot get any more. Those I think go to these money-lenders.

27,782. (*Mr. Channing.*) The fact that there are these columns of advertisements in the agricultural country papers shows that they must be doing some business?—It shows that they must be doing a tremendous business.

27,783. Do you not think in future that agriculture will be efit by the tenants themselves executing more improvements?—Yes, I believe that the depression has been made worse by the loss of the farmers' capital, and by their withholding capital as far as possible from the land because of the fear of losing money. I believe that in many farms that I have seen the state of affairs is much worse than it would have been if the farms had been kept up in better condition.

27,784. Therefore you would wish to encourage the formation of agricultural banks or loan societies on the lines suggested by the association you are connected with?—Yes.

27,785. You think that would be a benefit to tenant farmers?—I think it would be a benefit. I do not expect to see it do the good in this country that it has done on the Continent, because we have not the large number of small tenants who are in the hands of usurers that they had in other countries, but I still think it would do good because I believe that thousands of farmers are really in the hands of the dealers to a great extent. The stock that they have on their farm is not their own; it belongs to the dealers. At any rate if it is nominally theirs it is put in by the dealers at a price which they fix pretty well themselves and may be taken back again perhaps at a price which they fix again themselves. I think there is an immense deal of that going on, which is very bad for the farmers. Agricultural credit banks would be very useful in lending money to men who wanted to buy stock.

27,786. I believe you have a very strong opinion about railway charges?—Yes; I think they are abominable.

Railway rates.

27,787. I think you have expressed an opinion that you would go so far as to nationalise the railways if there were no other means of dealing with these charges?—If there were no other means of bringing down railway rates, I should like to see the railways nationalised.

27,788. Have you any opinion about forming cheap tribunals to decide questions between traders and the companies in the localities where the traders reside?—I think there certainly should be a cheap tribunal whether it needs to be localised or not.

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27,789. Is it not the fact that last year the poorest traders have paid the increased charges in cash, and therefore have not been in the position to withhold part of the charges as the large traders have done?—I think very likely it has been so. I think it is a scandalous thing that the movement in favour of fair railway rates, which was started for the benefit of the customers of railway companies, should have been allowed by Parliament to be turned into an engine of further oppression, because it seems to be the general opinion of traders and farmers that the railway rates now are rather worse than they were before the agitation commenced, that is taking everything all round, for there has been a reduction in some cases.

27,790. The big traders have been able to protect themselves by making deductions from their demands, but these small men have not; would that not be a reason in your opinion for giving them some local means of getting back the overcharges?—That is a thing I have never thought about. It certainly seems to be reasonable that there should be a cheap tribunal for small people. I should think it would be a good thing to have one which would visit different parts of the country.

Market monopolies.

27,791. There is one point in your brief that I should like to ask you if you have anything to say about. It refers to markets. Have you any suggestion to make as to what should be done with regard to the markets?—I should allow a market to be established by any company or body of men, wherever they chose to have it; I do not see why there should not be free trade in markets, and I would not pay any compensation to those who have existing charters.

Butter making.

27,792. You spoke about the great improvement in butter making, owing to the teaching in butter making which has come during the last few years; do you think that teaching has had any effect yet in giving the English farmers more command of the butter markets?—Yes

27,793. Or do you think that the effect will only be in the future?—It has had an effect in Ireland distinctly; you see it more clearly in Ireland because they are associated together in factories which Mr. Horace Plunkett has helped to establish. There is an universal testimony in Ireland that the quality of butter has been improved, and that the prices realised by the small farmers have been better than they used to be.

27,794. Is not one of the real difficulties of the English farmer in getting hold of the butter market in England now, this thorough organisation of the foreign import trade?—Yes, I have no doubt the foreigners have got a great hold, which it would be difficult to disturb.

27,795. They bring in masses of butter all turned out to sample in certain forms and easy to handle?—Yes.

27,796. And the English farmer is left isolated?—The Danes have gained the confidence of the retail traders there is no doubt, and the English farmers cannot possibly do it unless they adopt the factory system; they cannot send out a uniform article otherwise.

27,797. Would you leave the introduction of organisation in the factory system or in any other way to private enterprise, like Mr. Plunkett's, or do you think the State could do anything useful in that direction?—I do not see that the State wants to interfere with the business of farming. I think the tenant farmers should have the common sense to combine, as the Swiss have done. The Swiss have a factory in nearly every village in some parts of their country, and little men with five or ten acres of land help each other to make first-class cheeses by means of their united factories.

27,798. And there it is not done by the State?—No. There they simply take the entire proceeds when the cheese is sold.

27,799. Another difficulty of the English farmer is the utter failure of the Acts to prevent the fraud in butter, is it not?—Yes, the Margarine Act is undoubtedly a thorough failure.

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27,800. You expressed an opinion as to the incidence of the land tax, that it might be used in some way to relieve the pressure in the agricultural districts; will you say what you meant by that?—I think there should be an easy means of redeeming both the tithe and land tax in order to place the land more on the same footing with land in countries where the farmers compete with British farmers.

Tithe and land tax.

Market monopolies.

27,801. (*Mr Dalton.*) I think you say that you would give no compensation to the present owners of market rights; would you say why?—They have enjoyed a monopoly for a long time, but I do not see why they are entitled to it.

27,802. Have you read the report of the Royal Commission on Markets and Fairs?—I think I read it at the time.

27,803. Do you think it would be right where a large corporation like Manchester or Liverpool has bought market rights at an enormous price and provided very large markets for the accommodation of the public they should be deprived of the rights they have bought?—I do not think a competitor in that case would have much chance. I do not see why a corporation should have privileges which a private trader has not. A man who goes and opens a tremendous building like the Bon Marché at Brixton must face private competition. That concern came to grief some time ago, and I do not know whether it has been revived or not, but the man who started that would have had no compensation if another man had set up an improved mart opposite to him and done things better and taken away his trade and ruined him.

27,804. The market rights do not belong to the local authorities at Brixton; it would be a question of a private owner there?—Of course, and I do not see why a corporation should have any special privilege.

27,805. You have not read the very voluminous evidence upon the matter given before the Markets and Fairs Commission?—No, I do not think I read through the whole of the evidence; but I cannot see why a person owning a market at Bethnal Green, we will say, should prevent the people in the Great Eastern counties, if they wish to have a market open at Stratford, from doing so.

Free sale of improvements.

27,806. With regard to the free sale of improvements do you propose that that should be substituted for the claim of the tenant under the Agricultural Holdings Act?—Yes.

27,807. I think in the Bills that have been brought in it is given as an alternative that the tenant may choose whichever course he prefers; you would prefer to have it in substitution altogether? You would do away altogether with any claim against the landlord, and would allow the tenant merely to get what he could in the open market for it?—Yes; I think that is fairest for the landlord as well as the tenant; the only objection is, as I said before, that it involves a certain amount of continuity of tenure, or fixity of tenure, and that it also involves a certain amount of valuation of rents in certain cases at any rate.

27,808. Then you would agree that if the tenant got no bid in the open market for this free sale of improvements, the landlord would have to pay him nothing?—I think not.

Protection.

27,809. I think your objection to protection is that it would raise prices, and that the result would be that rents would be raised and the tenant would not get the benefit ultimately?—That was the reason I gave, I did not say that was my only objection to protection, but it was the reason I gave for its not being sufficient remedy for agricultural depression.

27,810. That is the reason you gave, I think, against it?—Yes, as a remedy for agricultural depression.

27,811. Would not the same argument apply to any artificial means of raising the price of agricultural produce?—I do not think I advocate any artificial means; I advocate the removal of artificial impediments.

27,812. If you had any legislation which had the effect of raising the price of agricultural produce, do you think the result would be that the benefit would go to the landlord and not to the tenant?—There is no doubt it would go partly to the landlord. I do not think it would to the same extent as protection, because we saw in the old times when protection existed, there was such a mad gambling spirit introduced, especially when the sliding scale was on; people thought that wheat was going to be at a fabulous price, and they would give anything for land almost to get it, and a great many farmers in those times were ruined through their recklessness. I think protection, especially when there was a sliding scale, when everything was so extremely uncertain as to the price, induced a gambling spirit amongst the men who wanted land, and had an effect which no other advantage would have.

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27,813. But any system which had the effect of suddenly raising to an unknown extent the value of agricultural products, would, you think, have the same result?—I do not know of anything that is likely to raise the value of products suddenly or very greatly.

Bimetallism.

27,814. Is that not urged on behalf of bi-metallism?—Yes, I think that in all probability the introduction of bi-metallism would be the means of raising prices.

27,815. Thereby raising rents?—Unquestionably rents would be raised.

27,816. Why do you think the tenant would get a larger proportion of the benefit in that case than he would in the case of protection?—I do not think there would be the same hope inspired among the farmers. I think the farmers have an exaggerated idea of the effect of protection, and that they would not have any exaggerated idea of the effect of bimetallism.

Abatements of rent.

27,817. I think you object to the principle of temporary abatements, do you not?—Yes, I think it is a mistake to give them. I think when they are wanted at all, as a rule they are wanted permanently. At any rate I object to the principle of going on giving abatements year after year.

27,818. But you would not think it wrong to give them in exceptionally bad seasons like the last two?—There is nothing wrong in it. What I object to is these abatements being given year after year instead of a permanent reduction, which would inspire hope in farmers.

27,819. Do you think it is common for these abatements to go on for a great number of years?—It has been the case.

27,820. Do you not think that they more frequently take place in bad seasons?—On the Duke of Bedford's estate, for instance, there has been an abatement made year after year, almost every half year since the depression commenced, but there has been very little permanent reduction, and I believe the old tenants' rents have not, as a rule, been reduced at all.

Market gambling.

27,821. I think you say that American farmers, as a body, are thoroughly convinced that the option system lowers prices?—So far as I have observed, they seem to be pretty well unanimous on the point.

27,822. Have you seen the Report of the Select Committee on Depression in Agriculture in the United States, and the questions they sent round to the farmers on that point?—I have not seen the Report of the Senate Committee, but I have seen some of the evidence which was brought before it.

27,823. They sent round to over 200 farmers a number of questions, one being, "What effect, if any, have dealings in futures and options had on the prices of farm products?" Have you not seen the answers to that; they are in a volume I have here?—I do not think I could have seen them, but I have seen some of the evidence collected by the Senate Committee.

27,824. I understand that 96 were of opinion that the system lowered prices, but that 110 either said that they knew nothing about it, or made no reply, or said the gambling had no effect, or else thought that it raised prices; but you were not aware of that?—Were they farmers?

27,825. These were all farmers in the corn-growing States. Twenty said they knew nothing about it; 38 omitted to reply to that question while they answered the others; 41 said the gambling had no effect; and 11 said it raised prices. I have not analysed the figures myself, but I believe they are correct?—The farmers' associations in America have declared most strongly against the option system, and all the great organisations have gone strongly against it.

27,826. I suppose that committee would select the most typical farmers they could send the questions to, would they not?—Yes, they might.

27,827. They published this in their evidence?—I should have thought they would choose the most typical

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farmers, unless the question has been tampered with in some way.

27,828. We cannot assume that?—No, we cannot assume it, I am afraid; but still it is a strange thing that all the public utterances, all the farmers' newspapers, and all the farmers' associations, so far as I have seen them in America, are strongly against the option system.

Valuations and free sale of improvements.

27,829. (*Mr. Gilmour.*) Do I understand you to say that you consider it impossible to put a fair value upon tenants' improvements by valuation?—I think it is extremely difficult, when a man has been on a farm 15 or 20 years, to value all the gradual improvements he has made, particularly as the most important improvements on a farm are made where a man has been farming well year after year, and has gradually raised the letting value of the farm in a way in which it would be very difficult for him to put down the actual improvement.

27,830. Then the object of free sale is to obtain as high a value as possible for these improvements?—It is more to obtain what I consider to be just, what the farmer can fairly claim, neither more or less. If he has spent the money injudiciously, the market would very soon tell him that he had been doing so, and he would find that he had not nearly so much to take as he expected. Under the present system he very often does claim an extravagant sum from the landlord, but as a matter of fact the landlord generally goes one better by making a bigger counter-claim, and so it is defeated in that way, but it is not a nice state of things.

27,831. Do you think these men who would bid at this free auction would be practical men?—My idea was not that there should be an auction at all. I think that a man, when he was going to leave, would go amongst those whom he thought likely to take on the farm, get them to see it, and explain to them all about it, and so gradually make a bargain with some one.

27,832. Would the man who bought be bound to be accepted by the landlord?—Not if he could be shown to be not a solvent man, or was in any way a man that could be reasonably objected to from a business point of view; then the landlord would have a right to appeal to the court against his entrance.

27,833. But virtually the selection of his successor would be in the hands of the outgoing tenant?—Yes, it would, so far as he selected a man who was fit to take the post of tenant.

27,834. And unless the landlord chose to take it into court, the tenant would be the judge of whether the man was a fit tenant of the farm or not?—Unless the landlord appealed, yes.

27,835. Do you not think that the result of that would very likely be to lead to quite as much litigation as there is at present under the Agricultural Holdings Act?—No, I do not think there would be very much litigation. I think, as a rule, that the tenant would be very careful not to sell his tenant-right to a man who was not pretty well up in his finances.

27,836. An outgoing tenant would have no further object than simply to get payment for this; he need not care a button about what was done to the farm afterwards?—No; he would of course leave the landlord to the protection of the law, which I should give the landlord against a man coming in and deteriorating his land.

27,837. This arrangement of yours was to go on for seven years, I understood?—Yes, but the landlord would have the power under the draft Bill that I supported of appealing to the court to restrain a tenant, or to fine him possibly, or on a repetition of his offence to cause him to quit the farm if he were persistently deteriorating the farm.

27,838. How do you think these people, who have to settle whether the farm is deteriorated or not, can come to an idea of what has been done to the farm, if you consider that it is almost impossible to value your improvements?—Of course there would be the evidence of local men, who could give evidence to the effect that this man was doing certain things which were known to be injurious to the land, and there would be possibly men to certify that they knew that the land had been made very foul; for instance, that a field which was clean before had been made very foul by repeated cropping without cleaning the land.

27,839. Could that not be done in the same way in valuing an outgoing tenant's improvements?—As I have said, there is a great difficulty in valuing the gradual improvement which a tenant makes on the land. I think we see that now; the outgoing tenant's covenants are very often valued in a most unsatisfactory manner, and when you come to valuing improvements extending over 10 or 15 years I think the difficulty comes in to a much greater extent.

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The scheduling of farms.

27,840. Do you think that the proposal to schedule every field at the beginning of a lease—at any rate in countries where leases hold—would be of any practical good at the end of 19 or 14 years?—It would not be a very exact thing, but I think it would give a good picture of the farms if you had every field scheduled, and the condition it was in, as to general fertility and freedom from weeds, or a statement of what weeds prevailed in it, if there were any at the time. I think that would have a certain value as a guide in the second valuation.

Butter making.

27,841. (*Mr. Whitehead.*) You told the Chairman that there had been an improvement in butter-making in this country; may I ask if that has been general throughout the country?—It has been spread about very much by the work of the dairy schools. Take the mere fact that you saw something like 100 girls—I forget how many there were, but I think there were over 100 girls—at the last Dairy Show, ready to come and take their stand in public and make butter in a manner that was highly creditable. I suppose there was hardly one there who did not make butter fairly well. Compare that with what would have been the case 10 years ago, when you would have had a difficulty in getting a dozen, and you must see the degree to which good butter-making is extending throughout the country.

27,842. Do you think the improvement is due to the education that has been given to the tenant farmers and their wives?—I think it is due to the education which has been given through the dairy schools.

27,843. Chiefly by the action of the county councils?—Chiefly by the action of the county councils during the last few years, but it began before the county councils were in existence, I think.

87,844. In what way did it begin before they were in existence?—I think Bath and the West of England Society had a travelling Dairy School for instance, and I think there were a few others. In Ireland certainly the work of dairy education was going on some time before through two excellent schools.

27,845. I think you say it is necessary to have co-operation in order to establish factories to make butter of a uniform quality?—I think so.

27,846. Before we can hope to compete successfully with foreigners?—If you are going to oust the foreigner I think you must have butter of a uniform quality sent to the shops week after week.

Agricultural education.

27,847. With regard to agricultural education generally, do you think county councils are working in the right direction in that respect?—I think county councils have wasted a large portion of the money in lectures, which, in my opinion, are the least effective way of teaching.

27,848. Would you advocate more practical teaching?—I would advocate classes in the place of lectures. I think a man goes to a lecture one day and does not go the next day; then at a lecture a man cannot interrupt the lecturer when he wants to ask a question, but he can in a class.

27,849. Do you think that farmers generally need technical education?—I think it is a very good thing to train the young farmers, but as far as adult farmers of this country are concerned I think I should have left them alone. I should not have tried to teach them by lectures or anything else much, because I do not think they will learn. I think they are indisposed to learn as a rule. I think it is the young man you want to get at.

27,850. You think the older men either will not learn, or that they are beyond teaching?—I think they are beyond teaching as a rule.

27,851. Not that there is no necessity for teaching them?—They have their own opinions.

27,852. I think you have had a great experience with regard to small holdings?—I have been amongst them a good deal, and tried to study their advantages and disadvantages as well as I could.

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27,853. Might I ask in what part of the country especially you have studied the question?—I have studied it in all the counties I went to as Assistant Commissioner to the Royal Commission on Labour; and I have also been on Lord Tollemache's estate in Cheshire and seen them there, and in the Isle of Axholme.

Large and small estates.

27,854. I see in your brief you say that, on the whole, your experience leads you to conclude that both farmers and labourers, and indeed the entire rural communities, are better off on large estates than on small ones?—Yes, I believe they are. I was certainly very much struck on going on some of the large estates; it caused me to form a higher opinion of the great landlords than I had entertained before.

27,855. Were they managed better, and managed under one uniform system?—The thing was managed on a more generous system than where there were just a few small owners

27,856. Yet may we take it that small holders have done, as a rule, better than large holders?—I have never said that.

Large and small holders compared.

27,857. May I ask what your opinion is upon the general question?—I do not think that small holders have done better, as a rule, than larger holders, except by getting their sons to work for them for nothing.

27,858. Do you think that is the only gain that there has been?—I think that, as a rule, is the only gain there has been. If you take the two systems I do not think, as a rule, you will find that small holders will cultivate their land as well as large ones—not where they engage in ordinary farming. I see in Austria that the statistics for 1893, published by the Ministry of Agriculture, represent the average yield of corn produced on the large estates as considerably greater than it is on the small holdings.

27,859. You would not recommend the system of small holdings then as a remedy for agricultural depression in this country?—I should not recommend it as a general rule; I should like to see small holdings increased as far as they are likely to pay, but I do not believe in any artificial means of increasing them, and I think it would do a great deal more harm than good. I would give them free play to extend as far as they can in the trading and agricultural districts.

27,860. You think every facility should be given for their extension?—I would give them every facility, but I would not bolster them up with State funds—I do not believe in that.

Rates.

27,861. I think you have not been asked any question as to the unfair incidence of local taxation, although you mention it in your brief; would you give shortly what your opinion is as to the unfair incidence?—Of course there is no doubt that local taxation is levied on real property only and not on personal property; that is the main injustice.

27,862. (*Mr. Dalton.*) Does it not fall on a considerable amount of personalty—railways, canals, waterworks, and so on?—Only so far as they have land or buildings. In the case of persons who have got personal property connected with land and buildings you cannot separate the rates which are on the land from those which are on the buildings.

27,863. (*Mr. Whitehead.*) Has local taxation increased on the whole, do you think, in the last 20 or 25 years?—No; I should say that rural rates have rather decreased than otherwise.

Rural depopulation.

27,864. I think you said in answer to a question from the Chairman that there had not been a depopulation in the rural districts with which you are well acquainted?—I said the depopulation was very much less than it had been represented to be.

27,865. In the last census I think there is shown a very large depopulation in the whole of the agricultural districts?—The census shows very much less than I expected to see.

27,866. You are speaking of only two or three special districts I take it?—I am speaking of the districts visited for the Labour Commission. I see that Mr. Little has summed it up. I think out of 38 districts there are 21 in which the decrease in 20 years has been over 5 per cent. and only 15 in which it was over 10 per cent., while in two it was under 1 per cent. So that the great majority of those 38 districts have a decrease of population in 20 years of only between 5 and 10 per cent.

27,867. Yet we have been told by most witnesses that it is very difficult to get young men to stay in country places, as they are attracted to the towns; is that your experience?—Yes; where I have been the best young men left for the towns and left the inferior young men and the old men behind them.

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27,868. Therefore there has been a depopulation?—There has been a depopulation to a certain extent; I have never disputed that, but it has been less than people have talked about when they have talked about the rural exodus.

27,869. Has it interfered with the agricultural labour market?—I have not been in any district where the supply of labour was not sufficient at ordinary times. I think it has been a very fortunate thing for the labourers that they have been able to find occupation elsewhere

Market monopolies.

27,870. Mr. Channing asked you a question as to the markets, but I did not quite gather from your answer what you proposed as to the establishment of markets?—I would not have a market prevented from being established by the existence of a charter held by a corporation near by.

27,871. Your objection to markets is that there is a certain charge or toll, is it not?—There are charges of course in places like Covent Garden.

27,872. Would that not hold good just in the same way if private markets were established?—That was not the objection I raised; the objection I raised was to the fact of their being too much centralised, so that the produce came to London and was afterwards distributed to other towns, and also to the fact that the monopolies of these markets gave to salesmen in them a great power which they would not possess if there were free trade in markets.

27,873. Do you think that affects prices?—I think the rings of salesmen prevent people from getting fair prices for their produce, and from getting the price which their produce actually realises.

Co-operation.

27,874. I think you said that the remedy is co-operation amongst agriculturists for buying and selling?—I should like to see that tried.

27,875. In what way could they co-operate to establish markets?—I think they could co-operate very effectually, not so much for the purpose of establishing markets as for the purpose of selling to retailers direct without going through the London salesmen.

27,876. Do you know that that has been tried in several places and has not answered?—I have never seen a really good attempt at agricultural co-operation on a sufficiently large scale yet.

27,877. I suppose you know that it is difficult to induce farmers to co-operate?—I know they are extremely difficult to persuade on that point.

27,878. That would be a great objection, would it not?—That would be the great hindrance to its being tried. I advocate co-operation, but I have no sanguine expectation of seeing it carried into effect in my lifetime.

Sale by live-weight.

27,879. (*Sir Nigel Kingscote.*) I think in your brief you attach some importance to the selling of cattle by weight?—Yes, I think it is a manifest advantage to farmers which they have been extremely foolish not to take the benefit of.

27,880. Then you think the farmer would benefit by it?—I think he would unquestionably benefit by it, but he is so well opinioned as to his own powers of making a bargain that he does not see it.

27,881. Would you go so far as to wish to see it made compulsory in markets?—No, I would not make it compulsory, certainly not. If a man does not like to take advantage of the benefits placed at his disposal he must lose.

27,882. Would you like to see a weighing machine at each market to be used at each market?—The market authorities are bound to provide a weighing machine, but the farmers do not take advantage of it.

27,883. (*Mr. Giffen.*) Is there not some difficulty about having proper machines for weighing?—I think there has been dissatisfaction among the farmers, and they have disputed the accuracy of some of these dial machines, but still I do not think there has been much occasion for that.

27,884. Do they think the machines are not arranged to weigh accurately enough?—They may have raised that objection, but I do not think that has been the

chief objection; I think the chief objection has been the opposition of the butchers and dealers, who have done all they can to prevent farmers from weighing; then of course the auctioneers have had pressure put upon them by dealers and butchers. I believe that has had a great deal to do with the non-success of it. On the other hand, there is the prejudice of farmers against anything new at all, and their thorough belief in their own power to make a bargain.

Free sale of improvements.

27,885. (*Sir Nigel Kingscote.*) I think I have gathered from your evidence that one great thing that you wish to see done, if not the greatest thing, is that the tenant should have the right of free sale?—Yes, that is one of the chief things.

27,886. Do you not think, from your experience, that if that was carried out that would entirely alter the position of the landlord?—Yes, there is no doubt it would make him a kind of sleeping partner.

27,887. Do you think that would be beneficial to the country throughout?—Yes, I think it would be better than having agricultural improvement in the position of a man between two stools. I think as it is now the tenant is always waiting for the landlord to improve, and the landlord has no interest in improving, because he knows that too much of his property will go to his heir as it is, and he wants to save what he can for the younger children.

27,888. Then I am afraid what you have given us in evidence goes against what you have written here in your brief: "As a rule, however, I hold the landlords "and farmers may be left to attend to their own affairs, "provided that the State secures to them perfect "justice and freedom in the pursuit of their business." It strikes me whether free sale would not be very much in the tenants' favour, and whether the expression that you have used, that the landlord would be a sleeping partner, would be completely carried out?—I would leave them to settle their own affairs as long as there was no injustice to any members of the community, but I think when there is any injustice perpetrated the State must step in. I think there has been an injustice in the case of tenants' improvements.

The currency.

27,889. (*Mr. Giffen.*) With regard to what you call the artificial competition of producers in certain countries, such as the Argentine Republic, in consequence of the deterioration of currency, I should like to ask you whether you are of opinion that that is a permanent advantage which the producers in those countries have, or whether it only exists during a period of transition?—I do not see how it can well be thoroughly permanent, but it is astonishing how long it seems to last in some countries; for instance, the Indian cultivator has had an advantage in exporting, from the depreciated rupee, for, I suppose, the last 10 years or more.

27,890. And in the Argentine Republic?—In the Argentine Republic I should think it must be shorter lived; I cannot imagine this gold premium keeping up for as long a period as 10 years.

27,891. Still it has lasted for a long time?—The gold premium has been, I suppose, from 150 to 300 per cent. for the last six or seven years.

27,892. It has got worse instead of better?—It has, and they are talking about a fresh issue of paper at the present time.

27,893. With regard to Russia, something of the same kind might be said, might it not?—Yes, the Russian rouble, I suppose, has a conventional value pretty much as ever, and it has depreciated in gold value to a great extent.

27,894. Do you not think that the advantage tends to disappear very quickly, whatever the advantage may be, and that prices and wages adjust themselves to the deterioration of the currency?—I do not think they do; I know that it is the theory of the economists that they ought to, but I do not think they do in a country like India, for instance, much more than the value of glass beads among the savages of Africa.

27,895. I should like to put to you one or two questions following that up; one point I should like to put is this: do you think that a country where such a deterioration of the currency exists gains as a whole by the deterioration in its trade with foreign countries supposing it imports as much as it exports?—I should not think that the country gains as a whole; I cannot imagine that it does as a whole; but I think the people who have to engage in the export trade, and I should think possibly a new country mainly consisting of men who are producers, might gain as a whole; but I should think that a country containing a large number of capitalists who have money to invest would be losers.

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27,896. The advantage is this I suppose, that the producer or the exporter, or whoever he may be—some person engaged in the business—gets a larger quantity of currency in exchange for his bill upon a gold country where the produce is to be sold in consequence of the deterioration of the currency?—Yes, of course.

27,897. That is the nature of the gain to the exporter?—Yes; for instance if he can buy four dollars for four shillings now, whereas he only got one formerly, and the dollars go as far in buying land and in paying for labour, or very nearly as far, in paying for labour, not quite, as they used to, it is very obvious that he can undersell people who are less favourably circumstanced.

27,898. That is the nature of the gain?—Yes.

27,899. And it would follow from that, that people who import goods into a country of that kind would be at a disadvantage in precisely the same way?—I do not know whether they would in precisely the same way. I suppose that people who imported goods would buy them in gold and would have to charge a profit upon them.

27,900. The people who buy the goods with currency would have to give more currency for the goods which people had bought at gold prices?—Yes.

27,901. The two things balance each other—if there is a gain to the exporter in the way that you describe there must be a loss to the importer in the same way exactly?—I do not know that it would be in the same way. Probably he would find the demand very much less because he would have to charge such a very high price for the things he sold, but he would take care to get his profit.

27,902. The importer gives a certain sum in gold for his goods, and that gold commands a larger quantity of currency; is that not the position?—The importer would have to provide a larger quantity of currency in order to buy his goods, but he would demand his profit in reselling what he imported.

27,903. Still as far as the currency operation is concerned, the advantage to the exporter is balanced by the disadvantage to the importer, and if the imports and exports balance each other there is no gain to the community whatsoever, as I rather think you intimated was your opinion?—I do not think there would be any gain to the community at large, but of course in a new country, a country like the Argentine Republic for instance, the imports would be very much less than the exports.

27,904. With reference to the stimulus, if there is to be a stimulus at all in the matter, I suppose it would be a stimulus to the producer, because he is the man who brings the goods into existence?—Yes.

27,905. Would I be right in saying that as far as the producer of agricultural produce is a consumer of his own produce, there is no advantage to him in the matter from this deterioration of the currency?—As far as he is a consumer, to that extent of course there is no advantage.

27,906. There could be no advantage?—There could be no advantage as far as he is a consumer.

27,907. And as far as he is a consumer of goods which are imported, there would be no advantage to him because he pays proportionately more just as he receives proportionately more?—Yes; but then a cultivator of the soil in the Argentine Republic would be a man who would buy next to nothing of imported European goods.

27,908. Are you quite sure of that?—These poor Italians, who have been used to living almost like beggars in their own country—and the majority of them are Italians, men who came out almost without a penny, and men who toil from early morning till late at night, and live in an extremely economical way—I should say that their purchases of European goods would be extremely small.

27,909. But, as a matter of fact, the imports of the Argentine Republic consist very largely of goods which are destined for consumption, do they not?—I have not examined the character of the imports.

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27,910. A large part of the consumption of the people of the Argentine Republic is the consumption of imported goods; but you have not looked into that point?—I have not looked into the character of the imports particularly.

27,911. At any rate, as a matter of principle, so far as the consumption of imported goods is concerned, the producer of agricultural produce in the Argentine Republic loses upon what he imports what he gains upon what he exports *pro tanto*?—Yes, but the man who sells the produce of his farm gets an amount which is of course very much greater than the amount that he spends; what he spends on imports, comparatively speaking, is a mere trifle.

27,912. So far as the consumption of goods which are produced in the Argentine Republic of a similar character to those which the agriculturist himself produces, that is to say, any goods which may be exported, though they do not happen to be the goods of the particular producer, he would also lose upon what he consumes, *pro tanto*, as much as he gains on what he buys?—The producer would lose on what he consumes.

27,913. Suppose the producer of wheat gains upon his wheat, and has to purchase beef or mutton, he would lose upon the beef or mutton what he gains upon the wheat?—I do not see that.

27,914. Because the beef and mutton are also articles which are exported, and which, by your statement, have risen in price in consequence of the deterioration of the currency?—As I have said before, the quantity the farmer consumes of the things that he produces is so small in proportion to the total production that he sends away, that it is a mere trifle to him.

27,915. Still it is a question of degree?—Yes, but the degree is so enormously disproportionate.

27,916. The other outlay of the producer in the Argentine Republic, I suppose, would be for wages?—Yes, the chief outlay would be for wages.

27,917. If wages were to go up in proportion to the fall in the currency, then the producer would have had no advantage whatsoever?—On the interest on his purchase of land, or on his rent, if he pays rent, he would get an advantage from the depreciated currency; I mean to say land commands no greater number of dollars now than it did before the depreciation took place—so Mr. Gastrell says.

27,918. Still, if rent forms, strictly speaking, no part of the cost of production, but is something over after the cost of production has been met, that hardly enters into the question, does it, as a stimulus to production?—I should consider that rent formed a proportion of the cost of production.

27,919. So that when we come to analyse it in this way I do not quite see what the advantage to the producer in the Argentine Republic, or in any country with a deteriorated currency, happens to be?—If a man produces a hundred pounds' worth of wheat in a year, and he himself and his family eat only about five pounds' worth, and if he produces a hundred pounds' worth of meat, and they eat another five pounds' worth of that, the advantage seems to me to be very great. He only pays the premium on these small amounts, that is to say, they make no difference to him on these small amounts; but on the other things which he purchases, which would be on that scale if they came from Europe, he might have to pay more money.

27,920. But still I have enumerated all the different kinds of things that he must consume, and I think I have covered everything that he must consume, and he must lose upon what he buys just as he gains upon what he sells?—He must lose upon what he buys if it happens to be imported from gold countries.

27,921. As far as a certain part of his production is concerned, he neither gains nor loses, because it is not sold; but as far as the remainder is concerned he must lose upon what he buys as much as he gains upon what he sells?—I contend that what you call the remainder is a small fraction.

27,922. Even after the payment of wages?—In wages he gets the advantage at present.

27,923. Have you followed that out in detail with reference to the wages in the Argentine Republic?—I only go by Mr. Gastrell's reports on the question; he allows a certain advance in wages in currency, but he says it has been very small at present.

27,924. I do not think he goes into it very much in detail, he does not give you particulars of wages year by year in different districts?—No, he has not gone into it to that extent of detail, but he has given a table of wages in the report which he published in the autumn of 1892, I think; not the last report he published.

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27,925. Do you think it conceivable that if the currency has deteriorated to the extent of being worth only one-fourth of what it was, say 10 years ago, wages have not risen in some degree in proportion?—I think they have in some degree

27,926. Suppose the labourer in the Argentine Republic 10 years ago was something like at the minimum of subsistence, you cannot cut three-fourths off his subsistence; his wages must rise?—If he does not buy any European products to speak of, as is the case with these labourers, especially the coloured people, the Peons.

27,927. Is not almost all the clothing imported?—I suppose a good deal of the clothing would be.

27,928. Is not the furniture imported?—I do not know. I should think they have precious little furniture; many of them live in huts.

27,929. Still, whatever furniture there is, I believe it is all imported, or nearly all?—Yes.

27,930. Still, you are not acquainted with the nature of the imports into the Argentine Republic?—No, but I know that the amount which the farmer spends on imported goods must be extremely small in proportion to what he sells off his farm.

27,931. Now, take the case of India again, where the depreciation of the currency has been nothing like so great as what it has been in the Argentine Republic; has there, as a matter of fact, been any stimulus to the production in India by the deterioration of the currency?—Yes, I think so. I do not think the ryots would have been able to go on growing wheat at the prices which have prevailed in Europe if they had not been paid about the same number of rupees that they used to have in former times.

27,932. If they get the same number of rupees that they used to have, but do not get more, where is the stimulus?—You want no better stimulus than the old prices used to be; the old prices were a sufficient stimulus to all farmers everywhere.

27,933. Still we find with the prices as they are now, wheat is not coming quite so freely from India as it used to come?—No, the price is too low even for them.

27,934. The price is just about the minimum, and has never been very much higher?—Prices have been too low in Europe even for India with this advantage.

27,935. Still, what is the stimulus; that is the difficulty which I have?—I say that it has been sufficient to enable them to keep on exporting where they would not otherwise have been able to do it.

27,936. I can quite see that that is a relative advantage perhaps, compared with a producer in a country like England, where the real wages of labour have increased, but a relative advantage does not appear to be a stimulus?—I have no particular preference for the word "stimulus"; as long as you will admit that it is a means of enabling people to keep on exporting, where they otherwise would not be able to do so, that is quite sufficient. If a man can only get a little profit by growing wheat, he will keep on growing wheat.

27,937. But still, is not the real difference between this country and India a difference very largely arising in this way, that the real wages and the real remuneration of the agricultural labourer and the peasant in India have not improved in the last 20 years, but the real wages of the agricultural labourer in England have improved enormously; would that not make a difference?—I do not think it makes sufficient difference.

27,938. Then you are not very much in favour of bimetallism as an immediate remedy, I understand?—I have never declared myself a bimetallist. I have only studied the question as far as the agricultural imports into this country are concerned, and I am perfectly convinced that the depreciation in the currency in countries like India and the Argentine Republic has had an enormous influence upon prices in Europe.

27,939. Have you considered the question whether bimetallism is a possible thing or not?—I have not

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gone thoroughly into the subject; I do not think my opinion is sufficiently worth being placed on record before this Commission considering that you have examined experts on the subject.

27,940. But you say that if a practicable scheme were brought forward you would like to see it tried?—I would like to see it tried.

27,941. That means that as yet you have seen no practical scheme, does it not?—I have not seen an exact scheme at all. I suppose the nearest approach to a scheme is that the nations of Europe, or rather the civilised nations of the world, should confer together, and fix the ratio between gold and silver. If they could do that, and would do that, I should like to see it tried very much.

Protection.

27,942. Then I gather that you are not much in favour of a countervailing duty against the bounties which certain countries give at present, because the emergency is not very great, and you do not see that it would do much good?—The bounties on exports are not on a sufficiently large scale to justify Parliament in legislating on the subject. I should not like to advocate a countervailing duty, because it would create a tremendous stir, and there is so little importance in it at present. It is only the Government of Victoria and New South Wales, I think, who are paying bounties on dairy produce.

27,943. Have you looked into the question carefully whether countervailing duties are ever efficient for the purpose for which they are intended?—No, I do not think I have examined the question in the light of experience. I do not know where I could find the experience.

27,944. Might I suggest to you that there was some experience of countervailing duties or something analogous to them about 50 years ago in this country in reference to sugar, when differential duties were put on the import of sugar, into this country to benefit our colonies for having free labour against other countries which were supposed to have a bounty in their favour in consequence of having slave labour; that that was tried for a great many years, but that the differential duties were given up in the end because they were found not to answer; you are not acquainted with experiences of that kind?—I had forgotten it if I had ever heard of it. I think in all probability that a countervailing duty would very soon knock the bounty on the head in the case of Victoria and New South Wales, and I think that if we were to threaten such a thing, even they would immediately take off their bounties. But I do not want to lay any stress upon that, because it is a small thing at present. It is an unfair thing to English producers that the foreigners should have a bounty, and that a foreign Government should pay part of the expenses of a business rival.

27,945. Why should not a foreign community combine to sell things at a price that suits them, and not leave it altogether to individuals?—I think if they are not to be blamed for doing it we could not be blamed for preventing it.

27,946. We may blame them for doing it because it is unwise, but it may also be unwise in us to try to prevent it in that manner?—It might be unwise as it is a small thing, but if it were a big thing I should think it would be wise.

27,947. Still there might be a great many things that would require to be considered in practice when the question of countervailing duties came up as a practical queston?—No doubt there might.

Market gambling.

27,948. Then with reference to this question of the effect of dealing in futures as depressing prices of agricultural produce: could you give us any idea of the extent to which you think prices are depressed in consequence; is it a serious matter?—It is impossible to judge to what extent the system has depressed prices. It is quite easy to imagine when there is a large supply of corn what a free play people of this sort have if they sell nominally for future delivery on a very large scale at a low price, and then they have got a great deal in their favour, and they are almost safe to keep on selling at a low price for nominal future delivery.

27,949. I gather from you that the chief characteristic of the market is that people sell largely what they have not got?—Yes, that is it.

27,950. They have a large interest in depressing the prices in consequence?—Yes, I think that the enormous offers of wheat, although it is fictitious wheat, must have an effect upon the market.

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27,951. You have not considered the question whether if that is the case the same effect would not be produced upon the Stock Exchange markets, where there are large sales of articles which people have not got?—I have been told that the exact equivalent of the option system did not exist on the Stock Exchange, but I do not know what goes on on the Stock Exchange.

27,952. I have been quite unable from the evidence which we have already had to observe any distinction between speculative sales in these produce markets and speculative sales upon the Stock Exchange; and I should rather like to ask you if you could tell us what the distinction is?—I should say that if you were to get a hundred people suddenly going on to the Stock Exchange and selling fictitious Great Northern shares and so reduce the quotations of Great Northern shares, that would have a deteriorating effect upon those shares.

27,953. But the general experience of the markets is that sales of that kind being compensated, and perhaps more than compensated, by purchases in the opposite direction have no such effect as you describe?—It is a known fact that when the option dealers want to lower prices, and when they conspire together, perhaps two or three large firms would have what they call a wash sale if they could, and sell furiously on the market, which would send prices down for the day at any rate.

27,954. I suppose that would have a great immediate effect, but it might not have very much effect upon the average prices over a considerable period?—It might not if they could not keep it up, if they could not keep on sending the prices down.

27,955. Would you be surprised to be told that I have known cases on the Stock Exchange of outstanding sales for delivery of a particular stock exceeding the quantity of that stock by two or three times?—Of course that is nothing compared with wheat.

27,956. That is the very case which you suggested of sales of the Great Northern stock which people did not possess?—I do not understand it. I should imagine that a constant selling of stock which did not exist must have a tendency to lower the price of the stock.

27,957. Not if there are people who are buying it in the same way; how could it depress the price if there is somebody to take it?—I suppose it might in that case be because there is no such thing as the oversupply of a stock which pays interest. It does not matter how much there is of it so long as it keeps on paying interest, but in the case of wheat to create an idea of an extensive supply which does not exist makes people think they are going to get it very cheaply, and disposes them to bid less and less for it. It destroys confidence in the possible rise in prices.

26,958. It would operate on men's minds for the moment perhaps, but the real conditions of supply and demand would hardly be affected by fictitious sales of that kind?—I cannot help thinking that they are. If they were conducted outside the market I should not say they were, but they are actually conducted in the market which makes the prices; these fictitious sales are what make price quotations in America.

27,959. We have been told that a great many of these fictitious sales are sales of articles in which the producers themselves are not concerned, and that the greater part of the wheat for instance which is produced is not wheat that is tenderable in these markets?—No, that is the great mischief.

27,960. How should the sale of articles which people have not got, and which are not of the same kind as the articles which are really dealt in by buyer and seller, have so much effect upon the buyer and seller to the alteration of the laws of supply and demand?—That is the very great mischief of the system, there is only something like 10 per cent. of the wheat in America which is sold in the option markets at all, and this 10 per cent., with the fictitious sales which go on in connection with it, fixes the price for the 90 per cent. remaining.

27,961. But why does not the real holder keep back until he gets from the real buyer the price which the supply and demand would dictate, why should they

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care for what the speculative people are doing?—They are the only price quotations, you can only sell your wheat at the market price. This is the best wheat, No. 1 and No. 2 wheats are those that are dealt in, and it is the inferior wheats that do not come up to the standard of No. 2 which cannot be sold by options.

27,962. But you are not obliged to sell on a particular day, and if the price does not suit you, you wait for a day or two days, or a week, till you get a price that does suit?—The price that does suit you eventually perhaps does not come in those days.

27,963. The reason of that must be that the real purchaser, the real consumer, does not come forward to buy; there would be no use in his going into the speculative market to buy, because he would not get the article he wants?—There is a certain amount to be bought in these markets of course. You can go into the markets and buy any amount of real corn, but you can only do it at the price fixed by this option system.

27,964. We are told as a matter of fact that there is little actual corn?—Little actually goes there, but you can go there and get it.

27,965. The dealings are in an article which is not really in existence, and the wheat which is tenderable at the market we are told is such a small portion of the total wheat produce?—It is; it must not be below the grade No. 2. But still you cannot suppose that anyone is going to give more for No. 3. if there were such a thing—of course no one would give so much for it as he would for No. 2; so that these people who are outside the option markets are still ruled by them in the price.

27,966. I will give you the case of an actual producer and an actual consumer willing to come into contact, the consumer wanting the stuff and the producer having got it to sell; why cannot they make a bargain quite irrespective of the speculative gambling in an article which does not concern them?—They can if they like, but the buyer says to the seller, "Your wheat "grades below No. 2, and I am not going to give you "more for it than," he says, "the market price for No. 2."

27,967. As a matter of fact he can get wheat?—He can get it.

27,968. (*Mr. Dalton.*) Any quantity?—I do not say any quantity, but he can get as much as he wants as a rule. I have never heard of there being any great dearth of No. 2 red wheat. It comes to this country to a very great extent, and of course it would be retained there if they wanted it.

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27,969. (*Mr. Giffen.*) But you can give us no idea of what the depreciation in consequence of the option system amounts to?—It is impossible to say what the depreciation is.

27,970. We were told by a witness that it was the difference between 40*s.* and 24*s.* per quarter; I suppose you would hardly agree with that?—Certainly not; that would be to attribute the entire fall in price to options, which of course I am very far from doing. I maintain that the main cause of the fall in prices is the over-supply in recent years.

27,971. Then it would not be so very important to the farmer to prohibit these dealings in futures altogether; would he gain a couple of shillings a quarter by it?—I should think he would gain a great deal more than that. I should think wheat has depreciated to a very great extent more than 2*s.* a quarter through the option system at the present time. I do not believe it would ever have run down below 30*s.* if it had not been for the option system.

27,972. Would it be a difference of 10*s.* a quarter?—I do not know, it is not down to 20*s.* yet fortunately.

27,973. Or 5*s.* a quarter?—It is impossible to say what it is. I do not believe, speaking roughly, that wheat would have been below 30*s.* if it had not been for the option system. In this country I do not believe our average would have been below 30*s.*

27,974. Then there is something like 5*s.* a quarter due to the option system; would that be a fair thing to say? I should not like to pin myself to any precise sum, because no one can possibly tell; still I do not believe wheat would have been anything like the price it is now, because I do not think the surplus has been sufficient to justify the extremely low prices.

27,975. It is largely a matter of guessing on your part, not a matter of exact estimate, that this has been the result of the option system?—It is impossible in a case like that to fix a figure.

27,976. If your theory should happen not to be well-founded, that estimate would fall altogether?—Of course any estimate falls if the theory on which it is based is proved to be not well founded.

27,977–29,977. I merely wish to have it put on record that you go by theory altogether, and that you have not made any calculation of the degree of the effect?—There are absolutely no means of making the calculation.

The witness withdrew.

Adjourned till to-morrow at 12 o'clock.

Fifty-first Day.

Friday, 6th July 1894.

PRESENT:

The Right Hon. GEORGE JOHN SHAW-LEFEVRE, M.P., in the Chair.

Viscount Cobham.
The Right Hon. Baron Rendel.
The Right Hon. Henry Chaplin, M.P.
Sir Robert Nigel Fitzhardinge Kingscote, K.C.B.
Robert Giffen, Esq., C.B.
Charles Isaac Elton, Esq., Q.C.
Captain Owen Thomas.
Francis Allston Channing, Esq., M.P.
John Clay, Esq.,
Cornelius Neale Dalton, Esq., C.B.
Robert Lacey Everett, Esq., M.P.
John Gilmour, Esq.
William Cutlack Little, Esq.
Walter Hume Long, Esq., M.P.
Herbert Lyon, Esq., *Secretary.*
R. F. Crawford, *Assistant Secretary.*

Mr. H. H. Scott. Mr. Henry Hall Scott called and examined. *Mr. H. H. Scott.*

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29,978. (*Viscount Cobham.*) I think you come here as the representative of the Newcastle Farmers' Club?—Yes.

29,979. You are yourself a practical farmer?—I am. I have farmed all my life.

29,980. Occupying a large extent of land in Northumberland?—Yes, about 8,000 to 10,000 acres.

29,981. And you have a further occupation in Scotland?—Yes, jointly with a nephew I occupy about 17,000 acres in Scotland.

29,982. In addition to those qualifications, will you state what public posts you hold?—I happen to be a county alderman, and chairman of the Roads and Bridges Committee of the County Council of Northumberland; I am also chairman of the Blackwell Colliery Company, chairman of the Bolsover Colliery Company, and a Guardian of the Poor of Rothbury, and I am Chairman of the Whittingham Highway Board, as well.

29,983. All in Northumberland?—Yes; except the collieries.

The depression in the North of England.

29,984. Can you give us your view of the history and progress of agricultural depression in the North of England?—In my opinion, it began to a less or more extent in 1875; the first signs of it were seen then. Ever since it has continued, with the exception perhaps of 1882 and 1883, when there was a boom in the prices of stock, caused no doubt by replacing the many sheep that had died in England from liver fluke about the year 1879 to 1880, I think.

29,985. Has the depression become more intense since that period?—The last two or three years—the last two especially—have been the worst in my recollection.

Low prices.

29,986. To what causes do you attribute the depression?—Not only the agricultural products of the world are greater than there is any demand for, but prices have been forced down to such an extent at home that we, as practical farmers, find ourselves perfectly unable to produce crops or live stock at the prices which we can obtain for them. We produce at a loss.

Results of farming.

29,987. Is it your conviction that no farmer pure and simple can live at the present range of prices?—My experience is that farmers, as a rule, at present are losing money. Perhaps I might mention, in regard to myself, I happen to keep books, and last year, I paid no income tax. I showed that I had made no money on all this land of mine, and paid no income tax at all. So I was losing the interest of perhaps 15,000*l.*, and had a loss of several hundreds besides.

29,988. You would not go so far as to say that there are no men of exceptional ability, or exceptionally placed, who are not making a profit?—I would go so far as to say that the exceptional ability would not save them from loss, but there may be certain positions or certain circumstances in which some men may be making a profit. But I would not say that ability would save them; it would have to be circumstances, such as position or some particular industry.

29,989. Are you well placed yourself with regard to markets?—Yes, we have a pretty good market at Newcastle, and we can also send to Edinburgh.

29,990. How far are you from Newcastle?—The nearest farm is 34 miles distant.

Effect of the depression.

29,990A. What has been the effect of the depression upon the tenant farmers?—The effect has been the melting away of their capital to a considerable extent, and I believe myself that all farmers, pure and simple farmers, who have no other source of income are poorer men now than they were some years ago, and of course some have been ruined.

29,991. What district are you competent to speak of?—All Northumberland, I may say, and of course I know a good many of the counties in Scotland as well. But I suppose I am giving evidence mainly on Northumberland.

Large and small farmers compared.

29,992. Has there been much difference in the effect of the distress upon large and small occupiers?—I have considered that point, and I do not think that there is much difference. It is more a question of capital and skill and application; when a large farmer has those he does as well as the smaller one. I may say, however, that I am quite convinced that there is a smaller yield per acre from small tenancies than there is from the large; whether that is from want of capital or not I do not know—probably from want of capital.

Small holders.

29,993. Do small holders pay wages to their families?—No, they do not pay their families any wages as a rule, but they must give them some money and they have to feed and clothe them.

29,994. But not the market rate of wages?—No. Of course it looks well in theory, a working man and a working family, but I do not think it is taken sufficiently into account that all the members of the family have to be clothed and fed; and it is only if these members are content to live on less, or work more, than a hired labourer that a small tenant with a working family is in a better position to meet depression.

29,995. Are the smaller holders fairly well fed and clothed?—No, I think that the small farmers feed themselves much worse than the hinds do, and they work very much longer hours; that is where there is any success—they work tremendously long hours, some of them I should think 12 to 15 hours.

29,996. And their families?—Yes; in these cases of course they do succeed in living, but they are very saving. I am thinking of a neighbouring small farmer; he does not even get a newspaper into his house, he is so saving, and his family and himself seem to be working at all hours whilst there is daylight. Of course he is making a living.

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29,997. When you say small holders, what limits of acreage do you refer to?—He might not be considered a very small holder in the South of England; he has I should think over 200 acres of not very good land, but it is at a small rent.

Condition of the labourers.

29,998. You would call the farmer of 200 acres a small holder?—Yes, when the land is not good.

29,999. What is the position of the agricultural labourers in Northumberland at present?—Agricultural labourers are very well employed; in fact there is rather a scarcity of labour in Northumberland. The mines compete with the farms for labour very much. The agricultural labourer is very well paid. In the North of England at present, counting his house and garden, and perquisites, he gets from 23*s.* to 24*s.* a week, as far as I can calculate it, and he gets that wage continuously—that is, he gets it whether he is well or ill, in bad weather or in good weather, and he gets it all the weeks of the year, so that he is pretty safe.

30,000. An ordinary labourer?—I am talking of the hind, an annual labourer who is hired by the year, he gets his wages continuously whether he works or not.

30,001. Has he to pay a house rent?—He pays no house rent, and he has generally a nice garden. I am including in his wages all his perquisites. He gets a thousand yards of potatoes in addition to the weekly wages. I should think his weekly wages will average 17*s.* 6*d.* a week; his house and garden probably 3*s.* or 3*s.* 6*d.* a week.

30,002. Twenty-three shillings or 24*s.* is the total value of what he gets?—Yes; he has a thousand yards of potatoes, which is worth perhaps 1*s.* 6*d.* a week included.

30,003. Is the quality of the labour as good as it used to be?—The amount of labour which they do? I think it is not quite as good. Each labourer does not do as much work as he did 30 years ago. The hours are a little shortened, not much; but I do not think the amount of labour done per man is quite as much, consequently the labour bills are rather increased of late years.

30,004. Do you agree with one of our witnesses, that physically they are not quite so good as they were owing to the change in their dietary?—They do not diet themselves so well. They have given up the use of oatmeal porridge very much, or oatmeal bread, they drink more tea, and they have not, unfortunately, got cows now, and a very small quantity of milk is consumed now in their houses. I think, on the whole, I am very sorry to say so, that they have deteriorated in stamina, both men and women, especially the women. The women work in the fields there, at least some women work in the fields; they get 3*s.* a day for 20 days in harvest and 1*s.* 6*d.* per day during the rest of the year whilst they work.

30,005. Are they constantly employed all the year round?—Generally; on good farms they are employed nearly every day. Some farmers that are very saving men employ them less regularly. Having been connected with the coal trade, of course, if you liked, I could compare the agricultural wages with the mining wages.

30,006. Are the mining wages sufficiently high to be a constant source of attraction?—They do attract them very much, because they look very big per day. A miner's wage is something like 6*s.* 10*d.* per day; if he was working full time, say 5½ days, it would be 37*s.* 7*d.* per week, but the fact is that he does not work full time, for it is found that through strikes and bad health and one thing and another, he only works four days in the week, or rather less than four, but I have put it at four, so that his weekly wages would be 27*s.* 4*d.* against the 23*s.* 6*d.* of the hinds.

30,007. And he has to pay house rent?—No, I am putting it on the same basis; he has to pay house-rent in the south, but not in the north. But it is not so well even as that for the agricultural labourers who go to the mines, although they do not know it until they go. Very few of them are ever able to become getters of coal—hewers—and they are only bankmen or labourers about the collieries, and those men only get from 3*s.* 6*d.* to 4*s.* a day, so that instead of this 6*s.* 10*d.* that they go for, they find when they go to the collieries that they are not nearly so well off. At the same time I do not say that many of them come back. They get unfitted for agricultural labour after they have been at the collieries, and they do not come back.

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30,008. Should you say that the position of the agricultural labourer has improved in the last 15 years on the whole?—Yes, the cottages have been very much improved indeed; they are very good cottages generally and the agricultural labourer is very comfortable Some of them make large wages and get a lot of money into their houses when they have got a working family. I have known a householder for himself and family get over 200*l.* a year into his house, but they do not make much provision for old age I am sorry to say, although they do get this money into their houses. In fact, the family who had the largest income of any family I have had in my employment, and who got considerably over 200*l.* were the most in debt of any family I have ever had, so that the amount of wages does not seem to govern expenditure.

30,009. I gather that wages have remained much the same, but the quality of labour is not quite so good?—The wages went up very much in the prosperous years of 1871 to 1874. They went up 20 per cent., then they gradually fell until 1888, for the next 14 years they came back again, and now they have been rising since 1888, but they have not reached the figures of 1871 to 1874. The labour bill may have reached the same amount that the labour bill did in 1871 to 1874, but the amount per man has not reached the same figure.

Condition of cultivation.

30,010. What is the condition of land generally throughout Northumberland compared with 15 years ago?—There is a good deal of land gone out of cultivation which has been sown away to permanent pasture. Some of it, a good part of it probably, is inferior land, I daresay it is not very profitable, but it is less unprofitable than it was as cultivated land. The cost of sowing away land deters tenants very often from doing it. The cost is considerable when it is laid away in a good way, by a good method, probably 6*l.* or 7*l.* an acre, so that tenants who have used up their capital should not do it—it is too expensive to do. I have known some tenants who have got poor by cultivation entirely ruined by embarking on laying away their land to grass, because the expenditure was considerable and the quantity and the quality of the grass as grown first, perhaps, during from three to ten years, is neither very great nor very good.

30,011. Are the landlords generally ready to find the seeds?—A great many landlords do find the seeds, but the cost of the seeds is rather the smaller part of the expenditure, because the land to be a success should not have a corn crop probably the year it is sown away; there should be no corn crop with the seed, and it should be afterwards manured with bones or other manures, so that the seed is rather a small part—it does not count for much; the seed is not equal to more than 20*s.* an acre; you can get very good seeds at 20*s.*

30,012. And it should be very lightly stocked for some few years?—Yes. Eaten with cattle it recovers more quickly than when eaten with sheep. Probably, one reason why there are so many good old pastures in England is, that in the days they were sown away there was more cattle and fewer sheep.

30,013. Is there any land quite out of cultivation?—No, not at all. It is all in grass or in cultivation. There is none out of cultivation with us.

30,014. Has there been any deterioration in the quality of farming in Northumberland?—Yes, I think there has to a certain extent. As the farmers have grown poorer they have perhaps been less inclined to spend money over their farms in keeping up the condition; in fact they cannot afford to farm so high probably now as they could when things were at better prices.

30,015. Have fences gone back to a notable degree?—No, I do not think they have very much. I do not think that Northumberland was ever very famous for keeping up very nice hedges. We find that good tall rough hedges are an advantage in breaking the cold winds in that neighbourhood.

30,016. Has there been much change in the method of cultivation?—There is not much change in the methods of cultivation; there is a certain substitution of oats and barley for wheat, but I do not think there is much other change. And with regard to changes of tenancy, there have not been many in my district. The landlords are very merciful in not turning tenants out, no doubt. I have never known poor tenants go out of their own free will (unless they are turned out) till they know where to go to get a home to cover them,

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so that the poorer a tenant is the more likely is he to remain in, unless he is put out.

High farming.

30,017. Do you think the farmers have been discouraged from pursuing a system of high farming by their recent experience?—Yes, I think they have. Speaking from my own experience, and from the experience of others, I think that high farming does not pay so well as it did; in fact it is very doubtful now whether it pays better than low farming. Probably there might be more money to lose by high farming, because there might be a loss on the natural production of the soil, and there might be a further loss on the additional production obtained through outside foods and manures, so that the loss might be increased. I may say with regard to myself, I find I expend in artificial foods alone 1,800*l.* or 2,000*l.* per annum. At one time, when prices of stock were good, I do not think there was any expenditure I made that yielded me more profit than that expenditure on artificial foods; but now there is no direct profit from it, and last year I make out there was a loss from it. There may be an indirect profit, to a certain extent, by the benefit the consumption is to the farms, but there is no direct profit from it. Last year I think was a clear direct loss.

30,018. Probably the best farmer is the man who is able to hit the happy medium?—I have not decreased the quantity very much that I use, but I am very doubtful about the profit in it now.

Artificial foods.

30,019. There has been a considerable fall in the prices of artificial foods, has there not?—There has; they are very moderate in price at present, but still not sufficient to meet the great fall that has taken place in corn and live stock.

30,020. You would not be satisfied with merely getting the manure for your expenditure on goods?—No, it is rather a small profit, the manure, and it is an undefined quantity; it is so difficult to make out.

Foreign competition.

30,021. What do you think are the main causes of depression as affecting Northumberland?—I think that the main cause, the greatest cause, is foreign competition. I daresay there are other causes, but I think that is one of the great direct causes at present. The quantities sent are so large that they force down prices to such an extent that we cannot grow the crops at the price.

Bad seasons.

30,022. Do you agree with previous witnesses in thinking that the price of agricultural products all round has fallen, roughly speaking, something like 30 per cent.?—Yes, 35 per cent. I should put it at.

30,023. Have you suffered from unfavourable seasons to any great extent?—I think the seasons since 1874 have not been very good, but I do not think that that is one of the main causes of the depression. The drought last year forced down prices for the time very much indeed, because there was no food to keep animals, and they were sent into the market to be slaughtered; but possibly we may get a little good from that at some future day; there may be a little boom in replacing these animals that were sold.

30,024. Has that not already begun in the prices of store stock?—To a certain extent, probably.

Labour.

30,025. Have you anything to say as to contributory causes?—There is a contributory cause in the supply of labour. As I have said, it is rather scarce in the north; we find that our labour bills have increased of late years.

30,026. Do you find that the cost of production has actually increased?—Yes, the cost of production has rather increased.

30,027. Do you mean absolutely or relatively to the profits made?—The cost of production of late years has increased. I do not think the cost of production is greater now than it was in 1871 to 1874, but it has increased since 1888.

30,028. We are comparing with 1883, generally speaking here?—1883 was one of our good years. That was the year when the replacing of the sheep that died of the liver fluke took place, and it was rather an exceptional year. I should think, as compared with 1883, the cost of production is not much different; the cost of production is rather greater now, but not to a great extent.

30,029. You say that your labour bill has gone up, but not to any great extent?—That is so.

30,030. Have you estimated how much per acre, or what percentage?—No, I have not got the figures here.

30,031. Could you say roughly that your labour bill has gone up 10 per cent?—Since 1888, labour has gone up quite 10 per cent. In 1888 it was about its lowest point, I think.

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30,032. Then in what other particulars has there been an increased cost of production?—I do not know that the cost of production in other respects has increased. Of course, I have mentioned wages that are rather higher, but I might say, I think it is proper to say, that we do not think that low wages are good for agriculture. We think that high wages over the country are the best thing for farmers, because low wages mean low prices, and low consumption, and high wages we think mean high consumption.

30,033. Although labour has increased, the prices of artificial foods and of manures have considerably diminished, have they not?—Yes.

30,034. Has there been an increased use of machinery for saving labour in your district?—Yes, there has been increased machinery used in saving labour, except in regard to ploughing. At one time we had a number of steam ploughs, but they have almost disappeared.

30,035. They did not pay, in fact?—No, they have disappeared out of the county almost altogether; there are one or two only left, I think, but at one time we had a great number.

Rates.

30,036. Are your rates diminished?—The rates are not diminished. The rates are rather increased, in some respects, but we get subventions from the Government at present, which keep them about stationary; but I think the cost of paupers and lunatics has rather increased.

30,037. Do you think the burden of rates upon agriculture generally in Northumberland has increased, or not?—I think not, on account of the assistance of these subventions that we get from Government for roads.

30,038. What has been the average fall in rents in Northumberland?—I think about 22 to 25 per cent.

Cost of production.

30,039. Then, notwithstanding that you have gained in the matter of rent and artificial manures and feeding stuff, you still think that the cost of production has increased I hardly follow that myself?—I was thinking of the cost of cultivation per acre, when I said the cost of production. The cost of beef and mutton could not be increased, because they depend to a certain extent on the price of artificial foods.

Rates.

30,040. Have you any opinion to give about rates and taxes and their incidence?—There are certain new rates and taxes, but they are balanced by the subventions or assistance we get from the Government at present. We get the spirit duties and some other duties.

30,041. Have you any recommendations to make for a change in the mode of assessment?—I should think it most desirable that the landlord should pay half the rates, as the landlord does in Scotland, so that there would be a community of interest, and things would run much more smoothly. In Scotland, it is always that the landlord pays half and the tenant half, and I think it would be a great improvement if it was done so in England. I have found, at meetings where expenditure was discussed, the landlords all voting one way, and the tenants who have thought that the expenditure affected them particularly, all voting in the other way. It is a pity such a thing should be, because the rates might be equally divided, and then there would be a community of interest, and things would go smoothly.

Farmers' capital.

30,042. You think that farmers in Northumberland have lost a good deal of their capital?—I think they have.

30,043. But they go on farming?—Yes, as I said, the poorer they get they are more likely to go on unless they are turned out.

30,044. You have not received any considerable importation of men with capital in Northumberland?—A good deal of new capital has come into farming no doubt, in Northumberland, because a deal of money has been made at other industries, and the sons of rich men sometimes come into farming. But, unfortunately, that capital is not always put to the best use or applied in the best way, for it seems rather to be the opinion of moneyed men that if they have an idle son, or a son who will not apply himself to other work, he is good enough for agriculture, and is sent to it, and consequently the results are not what might have been expected.

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Burdens on land.

30,045. What do you consider are the main matters of complaint that are put forward by the chamber that you represent?—I, perhaps, might say that we think that land is unjustly burdened on account of the old state of matters, when there was an import tax on all that was imported of agricultural produce at the expense of the other classes. That import tax has been abolished, but the burdens on land remain all the same. At one time it might be quite right that land should be taxed as it is, but we hold that it is not right that it should be taxed now, when the import duties have been done away with.

30,046. Would the farmers you represent generally revert to Protection?—No, I do not think the Farmers' Club, as a rule, would. Of course there are Protectionists amongst the members of the Farmers' Club, but I do not think generally they would revert to Protection.

30,047. But you think they should be relieved from charges which they had to pay when they were protected?—They think it is hard lines we should have all these charges which were imposed in olden times when we had protection, and which were imposed evidently because we had protection.

30,048. What charges in particular are you referring to?—For instance, the poor rates, road rates, school rates—all these rates; they are all upon the land. As far as I know, personalty or shipping, or anything of that kind, does not pay any of those rates.

30,049. Land and houses?—Land and houses pay, but personalty seems to escape. There is also shipping.

30,050. (*Mr. Elton.*) What about the mines?—Mines do pay to a certain extent; at any rate they are valued.

The Agricultural Holdings Act.

30,051. (*Viscount Cobham.*) Do the Northumberland farmers find fault with the Agricultural Holdings Act, or its working?—They do not approve of it in every respect; I believe myself that it has done a great deal of good in these bad times—that the depression would have been accentuated if there had not been the Act. I think that it has encouraged the farmers to try and keep up the condition of their land, which they would not have done if there had been no compensation at all, and further than that, it has been good for the landlords, because the landlords would now have their land in worse condition if it had not been for the Act, the tenants trying to keep up the condition in the hope of some day getting some compensation.

30,052. You are quite of opinion that an outgoing tenant keeps his farm in a better condition owing to the Act than he would have done without it?—Quite so; but what they complain of is that it is so expensive a process when put into operation.

Official valuers.

30,053. How would you remedy that?—I would remedy that by having official valuators or commissioners, or whatever they might be called—referees—and have certain men appointed for each district, and a court of appeal, so many of these referees meeting together quarterly or so; and the law courts would have nothing to do with it. These referees would save expense, for they would not require much evidence, if any; and I have no doubt that by-and-by their decisions would be perfectly just.

30,054. By whom would they be appointed?—Probably they might be appointed by the county councils of the different counties, to be approved by the Board of Agriculture.

Scheme of compensation.

30,055. Has your club formulated any definite scheme or recommendation?—Yes, they did. After the Act was passed the Farmers' Club elected so many members, an equal number of land agents and farmers, to form a scheme, and they did form a scheme. I have got a scheme here. They tried to do away with the objectionable hard and fast basis on which the Bill was framed by making different classes.

30,056. Is this a scheme for working the Act or for amending the Act?—Working the Act.

30,057. (*Mr. Channing.*) What Act do you refer to, the Act of 1875 or 1883?—The Act of 1883.

30,058. The Act of 1875 does lay down scales, and the Act of 1883 merely lays down the value to the incoming tenant?—Were not the two combined in 1883?

30,059. (*Viscount Cobham.*) At any rate you are speaking of the Act of 1883?—Yes. It was the Agricultural Holdings Act of 1883 that I was thinking of.

30,060. How do you deal with the schedules of the Act of 1883?—What the committee of the club did was this: they had first-class, second-class, and third-class compensation. The first-class was a class where the farm was well worked, and it received a maximum. For instance, taking bones as an example, the first-class exhaustion on each crop was to be one-fifth on arable land and one-tenth on pasture land; the second-class was to be one-fourth on arable land or hay meadow, and one-eighth on pasture land; but the third-class, where the thing was not so well done, where weeds probably took away part of the bones, was to be—exhaustion, one-third on the arable land and hay meadow, and one-sixth on the pasture land; so that the third-class was very much worse than the first-class.

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30,061. Has the Act been worked on that basis?—It has been worked very much on that basis. There have been a number of these leaflets of ours giving that scale applied for, so much so that I know the club the other day had to get a new edition brought out.

30,062. Has it given general satisfaction, do you think?—It has given a good deal of satisfaction. I do not think it is sufficient myself, and I do not think the club thinks it is sufficient. I think myself—I do not know whether I can first speak fully for the club in this respect—that there should be more compensation for condition—as to the condition at time of entry and condition at time of quitting, and less for certain acts or for foods and manures purchased. I think that a bad tenant may get too much from the Act, and a good tenant is not likely to get enough. For instance, a good tenant may make the principal part of his expenditure in the first years of his tenancy, and he gets the farm into such good condition that it requires less, say, the last three or four years; therefore, he will get less compensation. A bad tenant might put on very little the first few years of his tenancy, and he might throw on a great deal of manure, and buy a great deal of food the last three or four years of his tenancy; and possibly he might get more compensation than a good tenant.

30,063. Would you have every farm surveyed for incoming tenant and out-going tenant, and the condition scheduled?—That is what I would propose. Before this Agricultural Holdings Act of 1883 I drafted a rough Bill, and that is what I proposed, that there should be valuers for each district. I do not know whether you have seen it; Mr. Colman, the Assistant Commissioner in 1881, I think, approved of it, and appended it to his Report. Mr. Wilson-Fox, the Assistant Commissioner of this year, also refers to it.

30,064. It was before the last Commission, in all probability; Mr. Colman was an Assistant Commissioner then?—Yes, to the previous Commission.

30,065. Are those the two main points on which you would amend the Act?—The Bill proposed that Great Britain be formed into districts, say, for instance, England into 12, and Scotland into six districts, with three arbiters or commissioners for each district to settle all matters as afterwards specified, and a commissioner's office for each district.

30,066. We have it in full on page 439 of the Appendix to Mr. Wilson-Fox's Report to us. Do you agree with it now?—It is my opinion now. The Bill also provided for a court of appeal, the country to be formed into larger divisions, consisting each of three adjoining districts, and the commissioners in the three divisions to assemble quarterly to decide by a majority all appeals from district decisions, and their decisions to be final, and subject to no review by any other court. Then the Bill also dealt with the election of commissioners (under existing circumstances difficult to define)—it was before there were any county councils I wrote this. The amount awarded by the Commissioners either for compensation—this is the main point of it—or depreciation in regard to condition, was not to exceed five years annual rental of the land. The maximum amount, viz., five years rental, might be divided into 25 parts, fixing upon 0 as average condition, so that good condition might be marked to 25, and bad condition to a like figure. That is, each one above 0, opposite good condition would mean one twenty-fifth part of five years rental compensation to the tenant, and like figures marked in the schedule or form opposite bad condition, would mean compensation to the owner for depreciation in the same ratio. The basis for estimating the rental was to be that of the average of the enclosed land upon the holding. After the passing of these laws or rules any owner or occupier was to have power to demand

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from the Commissioners an examination of a holding. Owners were to have the preference in erecting farm buildings, but when they were considered insufficient by the tenant, he might erect buildings himself. Compensation was to be given at the termination of the tenancy to the amount which buildings so erected might add to the letting value of the holding, or compensation in the same manner to the landlord to the amount which the buildings might lessen the letting value of the holding. Notice should be given by the tenant to the landlord before he puts the building up, and the landlord might apply to the Commissioners for a prohibition, on the plea that they were not suitable. The owner was to have preference in executing drainage. The Commissioners' powers were not to extend in any way or form to the question of regulation of rents between owner and occupier.

30,067. Is that the opinion of your Chamber of Agriculture, that there should be no outside tribunal regulating rents?—I think that is the general opinion of intelligent farmers all over the country.

30,068. They would be satisfied with some such scheme as you propose?—The farmers want some provision whereby they would be quite sure to get compensation for any improvement they might execute on the holding, and I think they should also be equally sure that they would have to pay for any deterioration that they might cause in the holding.

30,069. (*Mr. Chaplin.*) That is what they really want?—Yes, I think if there were some such plan as I have advocated of carrying the matter out, that it would be a very great reform in farming. It might not in a year or two, but I think by and by, if farmers knew positively that they would be paid for all the good that they did to the place, and that they would have to pay for all the ill they did to the place, there would be a very great reform in farming, and the land would produce more.

30,070. (*Viscount Cobham.*) Farmers with inadequate capital would hardly be able to take much advantage of your scheme?—Talking of the North of England, I do not think farmers have got quite so poor yet, that a good many of them could not take advantage of it.

30,071. Although they have lost some of their capital, you still think they have an adequate amount?—Yes, I think so.

Improvements by tenants.

30,072. (*Mr. Channing.*) Do you wish the tenant farmer to have the right to carry out improvements on notice to the landlord?—On notice to the landlord, and the landlord to have a power of getting a prohibition if they were unsuitable to the holding.

Claims and counter-claims.

30,073. (*Viscount Cobham.*) Would you make any difference in the present powers of making claims by tenants and landlords?—I think it is very unjust that the landlord cannot claim at present until the tenant claims. In that way a bad tenant can easily escape paying any compensation, for he need not make a claim, and the landlord has no power to claim. I think a landlord should have the power to make a claim whether a tenant makes one or not; but I think that the tenant should not require to put in his claim so early. We find it of the greatest inconvenience in valuations for compensation, that the tenant has to put in his claim. I think it is two months before the time of quitting in England, and he really cannot tell what foods or what manures he is going to use up to the day of quitting. I think the landlord and tenant should put in the claim at the same time, and it should not be until the quitting takes place.

The law of distraint.

30,074. As to the law of distraint, what is your opinion about it?—I think that the remnants of it should be entirely abolished. I do not think the results from it are good. I think if a landlord takes a bad tenant, or if he ruins a good one by charging too much rent, that instead of his claim being preferred, as it is to a certain extent still, it should rather be deferred; but I would neither have it preferred nor deferred. I think that the interests of the landlord, the tenant, and the tradesman and shop-keeper, and all should be on an equal basis. Therefore I think the remnant of distraint should be done away. No doubt a tenant would lose a certain amount of credit which he gets at present from his landlord, but that would be well counterbalanced by the additional credit he would have from his bankers and from his friends, so it would be no loss even to the poor tenant.

30,075. Do you not think the poorer tenant in many cases would be cleared off by the abolition of the law of distraint at the present moment?—I do not think so at all.

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30,076. Rents would have to be paid to the day, would they not?—I do not think they would have. The shopkeepers and tradespeople are not paid to the day, and there is no reason why a landlord should be paid up to the day.

30,077. Do you think landlords would continue to give three, or four, or five months law as they do at present in many parts of England?—Yes, I think they would, without a doubt; it would be for their interest to do so.

30,078. They would not lose by it, you think?—No, I do not think they would; in fact, it is more a name now than anything else. A good many landlords with us do not take advantage of the law of distraint at all. There the nasty thing is by name, and it breeds ill-feeling, and it is no good.

30,079. In Scotland are rents paid on the day?—No, they are not paid to the day. There are quite as long credits in Scotland as in England.

30,080. You are representing the opinion of the Chamber of Agriculture upon that subject of the law of distraint; is there a strong feeling in Northumberland in favour of the abolition of the law?—I think so, although, as I have said, it is not much in operation in the North of England either; but still it exists. Perhaps I may just now quote an instance, unless I am too lengthened, in regard to myself. The other day I wanted to take some grass land from a tenant who was not able to buy stock himself. I did not dare take this land because I knew he had not a very good landlord, rather a sharp landlord. He wanted the pre-paid rent too. I knew if I took the land and pre-paid the rent, that in the meantime if he went to the wall, I would have to pay the rent over again. So I dare not take the land, and I dare not ask the landlord as to whether he would use me in that manner or not, because it would hurt the tenant's credit, so the field remained unlet.

Railway rates.

30,081. Is there a feeling that railway rates for the transport of agricultural produce are too high in Northumberland?—Yes, there was, and there is still, considerable excitement on that point. There is a feeling that the railway companies have accentuated the depression in agriculture, as well as in other things, by raising the rates instead of lowering the rates when the country thought they should be lowered. We now are paying at least 5 per cent. more for the carriage of live animals than we were paying before the change, but we expected a reduction.

30,082. Is that the nett result of the recent revision of rates?—Yes; instead of getting a decrease we have got an increase. We expected a decrease, but we have got a considerable increase, particularly on live stock. The companies seem entirely to ignore the principle that such high rates of carriage strangle trade.

30,083. Do you think the same result would happen if Parliament took the matter in hand again, or what remedy have you to suggest?—It is very difficult to suggest a remedy. The railway companies manipulate their figures in such a wonderful way, and alter and re-alter them that it is often very difficult to find out what the increase or decrease is. I have worked a good deal in this matter, as I happened to be on a committee of the County Council of Northumberland appointed to inquire into this matter of railway rates; and I found that it was a very difficult subject, because the railway companies were so very much more clever on the subject, and well informed on the subject, than we were, and therefore we were not able to come to such definite conclusions as we should have wished.

30,084. Then have you found that there has not been even a simplification of rates?—That is so.

30,085. Have you any definite remedies to propose?—Of course I, like all farmers, am entirely against foreign imports having a preference with regard to railway rates. They had a very great preference; it is to be supposed they have not now, but as far as I am informed, there is still a preferred rate for foreign produce carried long distances.

30,086. Notwithstanding the law to the contrary?—Notwithstanding the law to the contrary. Perhaps our opinion may not be worth a great deal, but we think that lower rates might pay the railway companies better than the high rates at present charged. We are handicapped against rates over the sea, as the rates on

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the land are so very high in comparison with the rates on the sea, and we do not think it is fair when the railway companies have got a monopoly of a country as they have got of the east of Northumberland, that they should charge such high rates. The rates on the land, where there are monopolies, are so very high in comparison with sea rates, where there are no monopolies; the figures are most striking; for instance, if I send potatoes or corn to London, which is one of the great consuming centres, it would cost me 22*s.* 6*d.* a ton, but for potatoes and grain from Denmark to Newcastle the charge is only 5*s.* 7*d.*, from the German ports 6*s.* 9*d.*, and from America 13*s.* 10*d.*, so that the rate I would have to pay to London is far greater than the rate from America or to America, the one being 22*s.* 6*d.* to London, and the rate from America being 13*s.* 10*d.*

30,087. (*Mr. Channing.*) That is not a case of undue preference, is it?—It is not a case of undue preference, but I am comparing the rates on the sea with the rates on the land.

30,088. That is an argument that the rate absolutely is too high?—That is what we think—that it is too high.

30,089. (*Viscount Cobham.*) You have not gone into the question of the relative cost of conveyance by sea and by land, have you?—No; I am afraid that we were not quite capable of doing that.

Malt tax.

30,090. I think you would be glad to see a return to the malt tax?—Yes, I would. I think it would be a very important change for the better if we returned to the malt tax.

30,091. How has the change operated injuriously to you?—Of course it is well known that when it was abolished the farmers were asking for the abolition, but they never contemplated that they would only get its abolition in name, and that, instead of getting the tax abolished, they would get it increased. The only difference made was that in the new way it was levied on beer after it was brewed, instead of being levied upon the barley whilst in the process of malting. Really, there was a very considerable increase, instead of the tax being abolished; the only difference being that it was levied at a different time of the process. I carefully made inquiries, and got the very best authority I could from maltsters, and I found that the increase is really 5*s.* per quarter on home barley, owing to the change from the old malt-tax to the new beer-tax—which is a very serious tax, indeed. For instance, if the land grows four quarters of barley, that is equal to 20*s.* an acre, or the rent of the land which grows the barley.

30,092. (*Mr. Clay.*) That 5*s.* was upon the 56 lbs. barley; it was not upon the cheaper barley?—It was upon the English barley.

30,093. (*Viscount Cobham.*) Do you grow good malting barley in Northumberland?—We grow fair malting barley. There is another disadvantage in the change of the tax, and it is a very great disadvantage to the home grower. Home barley is much heavier than foreign barley, and by the malt-tax the tax was not upon weight but upon measure, and therefore it paid the brewer to buy the home barley, seeing that it was the heavier, and would make the most beer; and there was a considerable preference in that way for the home-grown barley. But the change to the beer-tax did away with all that. Then, by the old malt-tax only malt and hops—I mean no other substance—could be used; but by the new beer-tax many other substances can be used, and they are used; and, therefore, although beer is no cheaper, no less in price to the consumer, it is supposed that it is neither so good nor so pure, because it is made from other substances than malt and hops. To finish, the collection of the beer-tax, I am informed on as good information as I can get, is very much more expensive than the collection of the old malt-tax, and a great many more officers are required. An increase in this tax is a very serious matter for the home-growers. We import from five million to six million quarters of barley per annum, but the home-grown barley is 10 to 11 million quarters, and if there is 5*s.* a quarter reduction in price on account of the change to the beer-tax from the malt-tax, it is a loss of 2,500,000*l.* a year to the home producer, which really may account for a considerable slice in the depression.

30,094. Would you grow more barley if the beer-tax were repealed?—We would grow considerably more barley if we had more favourable conditions. Some years ago barley got so cheap that oats were substituted considerably for barley.

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Co-operation.

30,095. I think you have something to say as to co-operation in farming?—Yes. With regard to co-operation in farming, as far as it has been attempted to be applied to arable farming, so far as I know it has not been successful. The margin for profit in regard to the cultivation of the soil is so very slender that there is no room for extra cost; and one cannot afford any book-keepers or any person of that kind; indeed, the margin is often the wrong way, and then, when the margin goes the wrong way, how is the co-partnership to be managed? Although it has not succeeded in regard to the cultivation of the soil, it has succeeded to a wonderful degree in regard to sheep-farming. I may say that on the borders in the North of England, and also in many counties in Scotland, the shepherds are all partners with their masters, and they get no money payments. They have so many sheep of their own, which go with their employers' sheep, and the householders have two cows, a patch of land for growing potatoes, and some land to grow hay for their cows. These men are very great successes, both for their employers and for themselves. I suppose possessing this property has given them habits of providence. They have mostly saved money to a considerable extent. For instance, I had an old shepherd died a few years ago who left 1,600*l.*, and I have several on my farms now who, I expect, have saved more than 1,000*l.*; not that they have such very high wages, for at present, when the prices of stock are low, they do not make very high wages, but they have got provident habits. They are the most skilful employés I know of in any industry whatever.

Co-operative sheep farming.

30,096. Would you say that the system improves their qualities as shepherds very much?—To an extraordinary extent; they are so intelligent, and the children soon begin to take an interest in the work.

30,097. How long have these co-operations existed?—Much longer than I can tell about.

30,098. Is it a common practice in Northumberland?—Yes, it is quite general. There are very few shepherds who have not their wages in that way. I may say that I have 12 shepherds in Northumberland, and 11 of them receive no money whatever from me. They are all partners.

30,099. How many members of a co-operation are there as a rule?—They are not members of a co-operation; it is merely that these shepherds are partners with their master. That is, they have so many sheep amongst the master's sheep. There is no further co-operation than that.

30,100. Take an average sheep farm; how many shepherds would be employed on it?—The size of sheep farms differs very much, perhaps an ordinary sheep farm might require three or four shepherds.

30,101. Take your own farm?—I have got a great many farms. I have 12 shepherds altogether, but then I have got five farms in Northumberland.

30,102. Twelve shepherds for 7,000 or 8,000 acres?—Yes, and they are all partners except one.

30,103 Is it optional with them whether they will join or not?—They are all willing to join, and they have mostly all capital to put on sheep. It would be almost impossible to start a thing of that kind at present, when times are bad, because the men would not have capital to do it.

30,104. (*Mr. Little.*) Has not the number of shepherds who are content to be paid in this way diminished very much?—No.

30,104*a*. Not in Peebles and Selkirk?—I do not know Peebles and Selkirk so well as the more adjacent counties, but it has not diminished. A few years ago there were some greedy farmers—I thought them very greedy—who rather grudged the shepherds the big wages they were making with their own sheep, and who reduced their shepherds to money wages, but these men, since the prices of sheep have gone down, would be glad to go back to the sheep partnership again.

30,105. (*Viscount Cobham.*) How do you fix the number of sheep they have?—A householder has the keep of 63 sheep, and he has the keep of two cows, and as I have said, he has got a patch of potato land, and he has got some land to grow hay for his cows. A single man, who lives in a house with a householder

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probably, gets the keep of 48 sheep as a rule. Those who shepherd on low country farms, where the class of sheep is different (I have been talking of hill—Cheviot—sheep), and where the stock is of a different nature, get much fewer sheep, so that it would only be delusive to fix on any special number. It depends on the quality of the sheep and the breed of the sheep how many they have.

30,106. (*Mr. Elton*) And the district?—Yes.

30,107. (*Viscount Cobham.*) Are they liable to dismissal like other servants?—Quite so, but they are not dismissed as a rule; they are very likely to remain in the same place, and their sons follow them, because they are such good men. There is no fault to find with them; they are honest, trustworthy, and intelligent, and they have got such skill that it is almost like hereditary instinct.

30,108. Do you not find a difficulty when their wages fall to a low level in consequence of a bad year?—We have not. Just now the prices are as bad as they possibly can be, as bad as we have ever known them, but we have had no difficulty. Possibly, if the present low prices continue for any length of time, the matter will have to be reconsidered as to whether a shepherd should not have more sheep.

30,109. Do you think that the system has distinctly improved the quality of the servant?—In the most striking degree. I do not know of any such success elsewhere. I do not know of any people I have come in contact with, in any class whatever, rich or poor, who are superior to the hill shepherds on the border counties. I think, considering their chances, they are the best people I know; I have always thought so. I have never seen any people so honest, so intelligent, and so skilful as employés.

30,110. (*Mr. Little.*) May I ask you whether it has not been found where a farmer has given up the shepherd's pack that the farmer himself is unable to keep any more sheep than he could before?—It has often been found so. The farmer, as you say, has thrown it up, and has not allowed the shepherd his sheep, but he has found from sad experience that he is able to keep no more sheep than he kept before, although the shepherd's sheep have been put off the ground; that is because he gets less skill.

30,111. The shepherd, being the owner of some of the sheep, exercises more skill in choosing pasturage, and so a larger flock can be kept?—That is so.

Reduction of rents.

30,112. (*Sir Nigel Kingscote.*) I think you said that, generally speaking, in Northumberland the rents have been reduced by the landlords about 25 per cent.?—Yes.

30,113. Do the tenants find it hard even now, with a 25 per cent. deduction, to meet their rents?—They find a difficulty in meeting their rents.

30,114. But you think a fairness has been exhibited on the part of the landlords in reducing the rents as they have done?—I think so. Perhaps I should explain this, as it may not be so evident to every one who is not connected with farming; some people have an idea that if rents fall 20 per cent., or say 25 per cent., and farm products fall 25 per cent., that the whole thing is balanced; but that is not so, unless there is an equal fall in wages and other expenses, because the rent is only one-third of the whole expenses. There is a prevalent idea that if rents fall as much as the fall which takes place in agricultural products, the tenants are on as good a basis as they were before, but that is not nearly so, because there are other expenses as well as rents—there are wages, and so on.

30,115. And labour, you say, has rather increased, if anything?—It has rather increased.

Sheep and cattle breeding.

30,116. I suppose, in the large way you farm, you do everything—you breed, and buy in, and sell out—or is it chiefly breeding that you go in for?—As I happen to farm, I scarcely buy anything except a few males; I breed everything. But I think I do that more than most people. I do not buy, as a rule, any cattle or sheep.

30,117. How do you generally sell your cattle or sheep?—I breed them on some farms, maintain them on others, and finish them off on others. Having so many farms I put them to different purposes, so that I breed the calves and the lambs and finish them off by selling them fat.

30,118. Do you sell them by weight?—I do not sell them by weight. I would like very well to see selling them by weight introduced; but there has not been much progress made in Northumberland in selling by weight. I suppose the farmer is rather conceited to think that he does know their weights, and the dealers do not approve of buying by weight; they would rather have the speculative element of taking their chance of getting an advantage possibly.

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Sale by live-weight.

30,119. Do you think, speaking generally, it would be to the benefit of the farmer if cattle were sold by weight?—It would to a certain extent, but not to a very great extent.

Slaughter of foreign cattle.

30,120. As regards cattle diseases, have you suffered much in former days from diseases?—We used to suffer a great deal from foot-and-mouth disease at one time, but it has been so well kept under now that we have not had a visitation for many years. There is less pleuro or other disease in the country now than I have ever known; that is due to the measures taken to keep out foreig. cattle, and other measures, such as slaughtering when there is any disease.

30,121. Do you desire to see the restrictions relating to the slaughter of cattle at the ports continued?—Certainly, I desire it ardently; I think it would be a great pity to do away with it.

30,122. In the interest of the farmers?—In the interest of the farmers.

30,123. Although sometimes it makes store stock a little dearer, it would be in their interest to have sound cattle, and to have no risk from disease?—Yes, certainly it would; it discourages breeding and farming generally when there is disease.

The Agricultural Holdings Act. Payments of compensation.

30,124. (*Mr. Clay.*) I think it was a very clear and plain definition that you gave of the Agricultural Holdings Act, and there is not much left for me to say to follow out your suggestions, but there are one or two points I would like to ask you upon. Your principal contention is, that the Act has not given sufficient compensation to keep up the fertility of the soil, generally speaking?—That is so; I think that the Act is of too hard and fast a nature. I think there is not much allusion to condition, and that it would be a great advantage if condition were valued, it would have such a good effect upon farmers in making them try to keep their farms in condition. What I am looking at is, the good of the farmer, and the good of the country generally, but particularly the good of the farmer; and I think in trying to benefit himself by keeping his land in condition, he would benefit the consumer as well, for he would produce more.

30,125. Then the question comes to this, that the man who has been only using cakes and manures for the last two years of a lease—call him the bad farmer—has been paid equally well, or perhaps more than the man who has been a really good farmer all through the term of the lease?—That is so, as I tried to explain. The good farmer does not require to put on any excess at the end of the time; he has got his land into good condition by farming consistently well throughout, and he does not require any excessive quantity applied during the last few years, and he does not require to buy an excess of artificial foods; therefore, he may use less than the bad farmer in the last few years; I would not put it so short as two years, but I would say the last three or four years, in which compensation is paid.

30126. But, the farmer who complains and gives in a claim for compensation should be able to show receipts for cakes and manures, and other articles which he has used on the farm for a good few years before?—I think he should be compelled to show vouchers for what he has spent upon the farm; but I would like to see an Act of Parliament which did not take these bills or vouchers as the exact basis on which he was to get compensation.

30,127. I do not mean to take the bills as a basis, but I only mean him to use the bills before the Official Referee, or whomsoever they are put before, as evidence that these things have been used, and then the Official Referee can use his own judgment on them?—Yes: I quite approve of that, because that would be an element to show that he was keeping the farm in condition.

Compensation for consumption of home-grown corn.

30,128 This point has not been touched upon by you; what is your opinion regarding the use of corn which is grown upon the farm?—I am sorry to say that I am

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in rather a difficulty about the question. It would be so difficult to find out, or to check the use of home grown corn upon a farm, that it would be very difficult to put that into operation. Further, I do not think it is of so very much consequence, because the tenant may sell his corn, and he can buy much cheaper foods at present, in the form of maize and cake, than the home-grown corn he would sell, so that he gets rid of the difficulty by selling the home-grown corn, and buying these other foods, if he wants compensation; but if compensation were more on account of condition, rather than on the use of artificial foods, it would not make so much difference.

30,129. He may not exactly claim compensation for the corn that he has used upon the farm, but the proof that it had been used might also, the same as the receipts for foreign manures, be evidence which would go to strengthen the Official Referee's opinion about what has been used?—Yes, I think it would be very well that he should give evidence that he had used a certain quantity of home corn, but it would be rather difficult, I think, to give him compensation on such hard-and-fast rules as are in the Act for the home-grown corn which he said he had used at home. He has to keep an account, and how is it to be kept? I daresay farmers are as honest as other people, but it would be rather too much to trust them all to keep such accounts; they are not very good account keepers, at any rate.

30,130. Your opinion, then, would be that so far, if there were a sufficient check upon it—I grant you there are difficulties in checking it—you would have no objections to the use of this corn?—I do not think I would.

Notice of claims.

30,131. Regarding the claims, the tenant must make his claim on the landlord, according to the English system, two months before leaving, but in Scotland, as I think you understand, it is four months?—Yes.

30,132. A tenant has no chance of making up his claim four months before he quits, has he?—No, he has not; nor has he two months before, either; at least I cannot see how I could make up a claim. I have not yet had the misfortune to make one, for I have not been a quitting tenant, but I do not see how one is going to calculate beforehand exactly how much artificial food and manures one is going to use up to the date, so that I think it would be quite soon enough if the claim was put in at the time of quitting. I do not see why the landlord's claim should be later than the tenant's.

30,133. I am glad that you have not had the misfortune, but I think you know I have had the misfortune to face the difficulty in the House of Lords on this matter?—So I believe.

30,134. They have decided that the end of the tenancy was not until the way-going crop was removed from the ground?—That does not apply so much to England, I think, because there are not so many way-going crops; the terms are so different.

30,135. Still that is a point now fixed, that you do not require to make up your claim before you have used all your feeding stuffs that you have upon the farm until after Whit Sunday, the removal term of the grass in the fallow?—I saw an account of it.

Co-operation.

30,136. You have talked very largely about co-operative farming, especially for shepherds in a sheep farm?—Yes, I have, because I have been very anxious always to devise a mode in which the same system could be applied to cultivating the soil, but I am sorry to say that I have not been able to devise any system, and that I have not seen any devised which has been very successful. I suppose some day there may be a mode found out to make it co-operative, because these shepherds are so much superior to the class that work for us on the arable land.

30,137. I do not think you could have paid a higher compliment to any class of men than you have done to the Cheviot shepherds, and I think they are justly entitled to it for their care, their intelligence, and their industry in guarding their master's stock and their own at the same time; so that you may be perfectly satisfied that there are no other persons you have come across like the Cheviot men?—That is so.

30,138. You have never come across another class of men like the Cheviot shepherds?—No; they are the best class of employés I have ever come across, so you will see that for that reason I would be so anxious to see it applied to the arable department, if I could.

30,139. (*Viscount Cobham.*) Do they often rise to become sheep farmers on their own account?—Yes, a number of them do.

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30,140. (*Mr. Clay.*) I think you have given very important reasons why the law of distraint should be abolished; is it your opinion that it has assisted neither the landlord nor the tenant to have it hanging over their heads?—As I have stated, there is no good at all in the remnants that are left—they are so seldom acted upon—even looking upon it in that light.

The law of distraint.

30,141. (*Mr. Gilmour.*) Is there much competition for these farms in Northumberland, just now?—Yes, there is very good competition. I have not been so speculative as to try and find out the reason, but there is good competition for farms. If you will allow me to mention my own idea, I think it is this, that people have come to see that things are so bad that they think there must be some hope of improvement in them; I cannot account for it in any other way: there is a certain hope, no doubt, in the breasts of agriculturists at present.

Competition for farms.

30,142. From what you have said, do you believe from the rents these men are paying through that competition, they are not likely to be successful in the farms they have taken?—I do not know that I have quite said that.

30,143. I am judging from your own account that there is much competition for farms, and I suppose the rents certainly are not falling?—The rents have fallen considerably of late years, but they are not falling this year from what they were last year, by any means; I think it is rather the opposite way, but the rents have fallen, and taking a longer period, I say they have fallen 25 per cent.

30,144. Has this competition forced the rents of those farms up to such a figure that you consider these men have not a chance of being successful?—It is impossible to say. After one has been some years farming, as I have been, I find it very difficult to go into futurity. The times might improve, and the people might succeed, but if the times did not improve, probably they would not be very successful.

30,145. Have you heard of a proposal to lessen that competition by allowing a man to take only one farm or holding of a certain size?—I think I have seen it in print, but I have not heard of it in any reliable quarter.

30,146. Do you think that would be a practical mode of dealing with such a matter as letting farms?—I think that would be a mode of depriving agriculture of much of its capital.

The currency.

30,147. Has your club considered or discussed the matter of the present condition of currency questions?—Yes, to a certain extent. I may say that I took a great interest in that question a few years ago, and I found it a very knotty one. Then I came to the conclusion that there were abler brains than mine to work upon it, and I would let it alone as I have a good deal of other work on hand, and so I have grown rather rusty upon it.

30,148. I see, that according to Mr. Wilson-Fox's Report, you stated very plainly that you considered that the appreciation of gold exercises a very great influence on prices, and that you put a good deal of stress upon that?—Yes, whether it is a crude notion or not, I have certainly an opinion that the appreciation of gold has decreased prices. But the remedy I am not so sure of, whether it is bi-metallism or what it is. If my own opinion is worth anything, I think it would be a most sensible idea for the Bank of England to issue 1*l.* notes, and let gold lie as a reserve—the purpose for which it should be used. At any rate in that way we would save a good deal of the waste of gold, which takes place in circulation, I mean waste or wearing down of gold. I forget how much it comes to in a year, but it is a very considerable sum, and if the gold merely lay as a reserve probably it would not waste so much.

30,149. Do you think there is, in your part of the country, a desire to know more about this question among agriculturists?—Yes, there is certainly. Some agriculturists have thought a good deal about it, and spoken a good deal about it, but generally I do not think it is a subject that is understood by agriculturists.

30,150. Therefore you would consider it is such a subject, probably, that every opportunity should be taken to place it in a plain way before agriculturists, so that they might have a chance of understanding it?—Yes, I think that is so; they should understand it like all other subjects.

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30,151. Your object in advocating anything of this kind would be to raise prices?—That is so, if prices could be raised without doing damage to any other industry, or any other employment.

30,152. Do you think that could be done without affecting the interest of the working classes of the country?—That is just the point, there are so very many points of difficulty, that the more I have thought of the subject the more difficulty I have got into in regard to coming to a decision on bi-metallism. I happen to know one or two gentlemen who are very much interested in this question, whom I have heard lecture upon it, particularly Professor Nicholson of Edinburgh, who is a great friend of mine, and I am sorry to say—it was, perhaps, want of ability or brains—that the thing is not so clear to me as I would like it.

Prices and production.

30,153. (*Mr. Little.*) It has been suggested here that low prices do not decrease the production, is that according to your experience? I think that you gave evidence that you grew less because you reduced expenditure, and it was not worth while to spend money in order to farm so highly?—On account of prices being so low, there was less expenditure in trying to get increased production, that was so.

30,154. If that be the case very generally, then low prices must tend to diminish the amount produced?—Certainly. If there had been high prices there would have been much more produce. My idea is, in fact I am quite sure of it, that we could produce all the beef and mutton that is used in these islands, if it were at a certain price. I made some intricate calculations a year or two ago for a paper I was going to read, and I found out that under present circumstances you could produce beef at 7*d.*, and you could produce mutton at 6¼*d.* a pound, but that under those prices you could not produce them at a profit. I think these figures must be nearly correct, because we find that whenever prices go above that ratio the breeding of cattle and sheep increases, and whenever they descend below that breeding decreases.

30,155. At any rate farmers generally have an opinion that it is a greater economy to reduce expenditure than to increase production?—That is so, with the present low prices.

30,156. If 30*s.* spent on cultivation and manure would produce a quarter of wheat, it is scarcely worth the farmers' while to spend 30*s.* when wheat is at 24*s.*?—That is so; we cannot grow the wheat at 25*s.* a quarter, as it is at present, without a loss.

Labour.

30,157. You said that the labourer had deteriorated, and you gave us as one of the reasons that cows are not kept to the same extent as they were formerly; can you account for the labourer ceasing to keep cows?—Yes; at one time the labourers were paid a good deal in corn, and by allowing them a cow; but their ideas changed when they got money payments, and they thought that they would not have cows, and that they did not want them. I have always tried to give my people a cow, and in fact to buy a cow for them. I am so anxious for them to have cows on account of the good it does the families. But now the women part of the family do not care to have the trouble of milking a cow, and looking after a cow.

30,158. The difficulty is not on account of the farmer then?—I am sure there is not a difficulty on the part of many farmers. I think I am perhaps rather exceptional on this point.

30,159. Mr. Wilson Fox, reporting to the Commission on Labour, rather leant to the idea that the difficulty rested with the labourer than with the farmer?—I think I would put it so too, perhaps I spoke too strongly when I said I was exceptional; I should have said they might not all be equally anxious.

The Agricultural Holdings Act. Official valuers.

30,160. In regard to the Agricultural Holdings Act I think one of your objections was the expense attending arbitrations under the Act?—Yes, the expense is extreme. There are so many witnesses to be called that there is no end to the witnesses. For that very reason, in order to cheapen the thing and make it less expensive, I suggested official referees or valuers, who would not require so much evidence; in fact I expect like school inspectors they would be able to appraise the value without much evidence, and I would hope that their decisions, like those of the school inspectors would be quite uniform; it would be just appraising merit in agriculture instead of appraising merit in education.

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30,161. The scheme which you formulated contemplates the employment of a number of professional valuers, who are to be confined to that particular work and paid a fixed salary by Government?—It is my idea that it would be better that these inspectors or referees or arbitrators—or whatever they are called—should have nothing to divert their minds from their work. I do not think their decisions could be equally uniform or skilful if they had other work to divert them. I think they should be, as it were, inspectors, and in that way we would have them as a first court, and then if there was an appeal it would go to three or four of them, or whatever number should assemble together, and it would be decided by the majority. That would cheapen the whole process, and do away with the expensive part of the process.

30,162. These valuers would have to be highly paid men, I suppose?—They would have to be men of good position.

30,163. But would that not be shifting the expense from the parties to the State?—It would come to very little, because for an inspection of a farm I would propose that there should be a small fee per acre.

30,164. Do you think that would really reduce the total expense?—Immensely, I think. The expense just now is very serious, and a small farmer cannot afford to go in for it.

30,165. How could these experts dispense with evidence; how could they find the facts without evidence?—We know that sometimes a good deal more evidence in these cases is given than is necessary. When a case gets into the hands of legal gentlemen, they are very fond of evidence, but we would hope that the official referee would not be equally fond of it.

30,166. But there is no necessity for a legal gentleman, is there?—There would be no legal gentlemen as I propose it.

30,167. There is no necessity now?—There is, generally; in all the big valuations in our country legal gentlemen are present representing the parties.

Notice of claims.

30,168. Then upon the question of the two months' notice, you say it is impossible two months before quitting to give a proper notice of claim, but that notice is only to be so far as reasonably may be the amount of the claim?—That is so.

30,169. Is there any difficulty in adding to the claim for subsequent consumption?—I suppose that can be so corrected, but I do not see what is the need of hurrying the man; I cannot see the reason of hurrying the claim forward two months before the time of quitting.

30,170. That is one point; the other point, as I thought you seemed to think, is that a man could not possibly make his claim?—That is so.

30,171. He cannot make it exactly, but he can describe the nature of the claim, and he can—it has been held by every commentator on the Act, I believe—add to the amount according to his subsequent use?—I believe that is so, but there have been difficulties. It has been stated that the notice was not definite enough. I do not see that there is any necessity for the notice.

30,172. You think the two months' notice might be dispensed with, and that the claim might be made at or about the time of quitting?—I think so.

Time limit for compensation.

30,173. Then, another complaint that you make is that it treats good and bad tenants alike; is there anything in the Act that you can point to which limits the compensation for use within a definite period?—There is not; but the practice, or the application of the Act, has been that outgoing tenants have been paid upon outside manures or artificial foods brought on to the farm or applied to the farm, and in that way a good tenant may not have got more than a bad tenant, because he may have had the farm in good order before. That was my contention.

30,174. The complaint is rather against the way in which valuers have administered the Act than against the principle of the Act; the Act does not limit the compensation to any particular time?—I think it limits compensation to particular acts, or applications of certain things.

30,175. But with regard to those things—say the use of cake—one man uses cake for four or five years, and you argue that he improves his land to a greater extent than another man using cake for two years only, but that in practice they would both get compensation on

the same scale?—I should put it on the working of the Act, as interpreted or as practised.

30,176. That is the Act as it is administered by valuers; you complain of that?—Yes, and there is nothing given for increased fertility.

Scheme of compensation.

30,177. In the scheme of graduation which you, I believe, drew up, you assumed that the improvement was made within a certain period, and the compensation was based upon the original cost, with so much deducted for each year unexpired?—Yes.

30,177A. You assumed that an improvement would last for so many years, and you based compensation upon the original cost?—I do not think that that classification is perfect; I do not think it is sufficient.

30,178. (*Mr. Channing.*) In your original suggestion, I think you classified these improvements?—Yes.

30,178A. (*Mr. Little.*) In addition to those you divided farms into three classes; first, second, and third, and you gave the highest compensation to the first class and the lowest to the third class?—That is so.

30,179. But still you believe that system is not sufficiently elaborated?—No, we do not think it is.

30,180. But continuous good farming ought to be recognised to a greater extent than it is by any such scale?—Yes; increased fertility of the soil should be recognised.

30,181. Produced by continuous good farming?—Good cultivation, skilful farming, and the liberal use of artificial foods and manures.

The law of distraint.

30,182. About the law of distraint, are you not aware that your cattle could only be distrained upon for the amount of the price which you had agreed to pay for the keeping, and that the landlord could only recover upon those cattle the price that you had agreed to pay for the keeping?—I was going to prepay the price that I agreed upon.

30,183. Then he could only recover so much of the price that you had agreed to pay as was still unpaid?—Then he could not have recovered any of it; I must have been mistaken, and more than that, a lawyer must have been mistaken.

30,184. It seems perfectly clear by the 45th section of the Act of 1883, that your stock would have been exempt: "Where live stock belonging to another per-"son has been taken in by the tenant of a holding to "which this Act applies, to be fed at a fair price "agreed to be paid for such feeding by the owner of "such stock to the tenant, such stock shall not be "distrained by the landlord for rent where there is "other sufficient distress to be found, and if so dis-"trained by reason of other sufficient distress not "being found, there shall not be recovered by such "distress a sum exceeding the amount of the price so "agreed to be paid for the feeding, or if any part of "such price has been paid exceeding the amount re-"maining unpaid, it shall be lawful for the owner of "such stock at any time before it is sold to redeem "such stock by paying to the distrainer a sum equal "to such price as aforesaid, and any payment so "made to the distrainer shall be in full discharge as "against the tenant of any sum of the like amount "which would be otherwise due from the owner of "the stock to the tenant in respect of the price of "feeding"?—If that is so, and I have no doubt it is as you say, I was under a mistake, for I did think, and have thought all along, that if a man prepaid rent, and if there was a distraint by the landlord, he had to pay the rent over again. It is rather curious, but I am not the only man to think so, for my lawyer is under the same mistaken impression.

30,185. (*Lord Rendel.*) The stock would be liable to distraint?—It would be, evidently.

30,186. Although the distrainer might, under the Act be unable to recover anything upon such distraint, the fact would be that your cattle would be liable to distraint, and your lawyer, in advising you that the stock would be liable to be distrained, was advising you within the meaning of the Act?—Yes, but there would be no results in the way of having to pay.

30,187. Nothing but the expense and inconvenience?—Apparently that would be so. I am sorry that I was under a mistake.

Description of farms.

30,188. (*Mr. Chaplin.*) What is the character of the farm that you occupy in Northumberland?—I happen to occupy five, some of them hill farms, some of them combined hill and fields, and one of them fields altogether.

30,189. Would the same description apply to the farms you occupy in the north of Scotland?—No, they are altogether sheep runs.

30,190. Purely sheep farms?—Purely sheep runs.

The depression in Northumberland.

30,191. In Northumberland they are what?—Partly arable, partly hill, and partly old pasture.

30,192. I observe you say that the depression has existed since 1875?—To a certain extent.

30,193. But is more severe of late years, and that last year was the worst of all. What was the cause of that? I thought that in the north of England the depression had been less severe?—When I mention a year, it does not quite mean from the 1st of January to the 1st of January, because we generally balance our accounts at the end of June, so that "last year" would be up to June of the year past, not this last June. The prices of stock were so very bad on account of the drought all last year that it was the worst season we have had for a very long time—the worst season we have had in my time, certainly.

The currency.

30,194. You said in your evidence in chief that although the fall of prices was the main cause, there were other causes of depression, and amongst them you named the increase in the price of labour. Is there anything in addition to that which you want to put before us as a cause of depression?—Yes, I have thought that the appreciation of gold had a considerable effect upon prices.

30,195. I observe that in the Report of our Assistant Commissioner, Mr. Wilson Fox, you met him on one occasion and you expressed that opinion, he mentions you by name?—Yes.

30,196. I think you expressed the opinion that the depression was greatly due to the appreciation of gold, and that this subject was much overlooked by those who discussed the causes and remedies of agricultural depression; is that your opinion?—That was more my opinion probably then than it is now. The more I worked at the subject of bi-metallism the more I got doubtful about it. I suppose my brain was not clear enough to take it in, or something. Consequently my opinions are not quite as strong now as they were then; but still I am under the impression that the appreciation of gold has done very much to lower prices.

30,197. Is that a subject which is beginning to engage attention among agriculturists in your part of England?—Yes, there is a certain very limited number, I think I am amongst that limited number, but it is only a limited number, I believe, that take any trouble to think about it.

30,198. Would you say it was growing in interest?—I really could not be quite sure. I think, perhaps, there was more excitement about it a little while ago than there is now. I would like to be correct in anything I state in this matter; perhaps I am talking of my own feelings a good deal.

Compensation for improvements.

30,199. With regard to the question of land tenure, I understand you that if farmers were assured by law of receiving compensation for improvements that is all they ask for in your district?—That is all they would ask for; we do not want any fixity of tenure or anything of that kind, we only want to know that we will get full compensation if we improve a holding, and that a man is never to be denied full compensation, and that he may get it cheaply and easily; then there will be a tremendous improvement in farming.

30,200. You want, in fact, a really effectual Agricultural Holdings Act?—That is so.

Land courts.

30,201. But you do not recommend the appointment of land courts to fix rents or to give fixity of tenure?—No. I recommend official valuers, but I think they should have nothing to do with the question of the amount of rent.

Compensation for deterioration of farms.

30,202. You also maintain that the farmers ought to be compelled, and they ought to know that they would be compelled, to pay compensation for the deterioration of their farms?—I think as a clause should ensure the tenant compensation it should also ensure the landlord compensation, if there has been deterioration of the holding by the acts of the tenant.

30,203. Do you not see a considerable difficulty in ensuring that compensation to a landlord in the case of a tenant who has farmed badly, and got his farm into bad order, and who gives notice to go; the probabilities

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are very often, I think, are they not, that it would be rather like getting blood out of a stone?—That might be so; but probably other people might lose by the tenant as well, and the landlord should not be exempt from losing. If the landlord does lose he had a good deal to do, probably, or his agent, in putting the tenant there, and he should have made a better selection, it might be said. There is no reason why his claim should be preferred, or that there should be any preference whatever in getting what the tenant owes him, and one of the matters due might be a depreciation to the holding.

30,204. And even in a case where it has not been a matter of selection, we will say, where a tenant has been on the farm, or his family, for many years, would you say that the landlord has been somewhat to blame for having allowed things to go so far without interference?—I should say he has been. I do not see that there is any good in any landlord showing such an excess of mercy as that, because it is not likely if the tenant is so bad as that, and has got his farm wrong, and his pockets empty, that he is ever going to recover, and it is only keeping him in misery—the bad day will come for him.

30,205. Surely there are a good many cases in these days where deterioration of a farm is really owing more to want of funds than to indolence on the part of the tenant, are there not?—If the landlord lost the compensation, is that not what you mean, that he would not be able to pay it?

30,206. Yes?—If the landlord lost it in that case it might be on account of his having to obtain too much rent for the land, and that made the tenant so poor; so that the landlord would not be very much to be pitied even if he did lose some of the compensation for deterioration.

30,207. That is not altogether what I meant. Your evidence pointed to this: That if a farm was going the wrong way, we will say, the landlord must not be disappointed if he loses when the tenant goes, and he has no right to complain because you would say that he ought to have interfered and stopped him before?—I would say so.

30,208. Would not that be rather hard in some cases where a tenant has been losing money, and where the farming is less well done, not because of indolence or neglect, but because really he has not the means of doing it better?—I suppose he has lost his means.

30,209. Yes, and a landlord would naturally wish to give him a chance if there was any prospect of times improving?—I think it would be very well that he should have his chance, and it would be very good of the landlord to give it to him, but I cannot see that the landlord is to be very much pitied if in the end he does not get the compensation.

Notice of claims and counter-claims.

30,210. Now, upon the question of notice for compensation for improvements, is there any necessity for any notice of claim being given?—Prior notice?

30,211. Take the case of a tenant who is leaving a farm. He is quite certain to be entitled to receive compensation for some improvements, at all events. Is there any necessity in such a case for a tenant being compelled to give notice that he is going to make a claim for improvements before the time comes when he has to leave?—No, I think not if it had not been for the counterclaim the landlord has to put in; but as the Act goes now the landlord only puts in a counterclaim if there is a claim made by the tenant, so I suppose that is the reason of the notice by the tenant, so that the landlord may know whether to put in a counterclaim.

30,212. Do I interpret your view correctly to be this: That a tenant ought to be able to make a claim for compensation for his improvements at any time that he pleases before quitting, and that a landlord ought also to be able to give notice of a claim for deterioration?—Yes.

20,213. Both irrespective of each other?—That is quite my opinion; the landlord should just have equal rights with the tenant to make a claim. I think the time would have to be limited in which a claim would be made—whether it would be the day of quitting or whether it would be two months after, or when. I do not know the best time.

30,214. Have you any suggestion to make upon that point? Of course there must be a limit; what should that limit be?—I think the limit might be a matter of almost weeks after quitting. I think it should be very close.

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30,215. That the claim on either side ought to be made within a limited time after quitting?—Within a month, say.

30,216. But apart from that there is no real necessity for any notice being given at all?—No.

30,217. I want to know whether you see any objections to that?—I see a necessity for it as the Act is at present, because the landlord cannot know whether to make a counterclaim unless he receives notice.

30,218. I am assuming that the Act might be altered?—If it were altered, at first sight I do not see any reason why there should be any notice of claim.

30,219. (*Mr. Channing.*) Did your not express an opinion in favour of notices on both sides being given on the same day?—At the same time. There is no reason why one should be earlier than the other. I did not mean that it was necessary to fix on any certain day. There is no reason why the landlord's claim should be later than the tenant's if it is done away with as a counterclaim.

30,220. (*Mr. Clay.*) The fact of the matter is that it comes to this: That the tenant and the landlord could give in the claim on the same day, and need not see each other's claims until lodged?—I think that would be an important improvement.

30,221. (*Mr. Channing.*) Even so you would have to fix a day for the notice, otherwise it would defeat itself?—Yes.

30,222. (*Mr. Chaplin*) Then in that view you would think that there must be a notice?—I would correct that. I said, "at first sight." I think now it will be better that a certain day should be fixed, and I agree with what Mr. Clay says, that neither should know what the other's claim is.

30,223. Either party to make their claim independently of any knowledge of what the other party is going to do?—Entirely.

Basis of compensation.

30,224. With regard to compensation under the Act, at present the basis of that compensation is the value to the incoming tenant, is it not?—That is so.

30,225. I want to ask whether, in your opinion, it would be better or not, that instead of the basis being the value to the incoming tenant it should be the outlay, or some proportionate part of the outlay, which has been made by the outgoing tenant?—That is the Act now, as I understand it. Such improvement as has taken place by the application of certain manures, or the use of certain foods, and at the value at which it is to the incoming tenant.

30,226. Would there be any difference in putting it the other way?—Yes.

30,227. Are you asking me that?—Yes. I do not quite see the difference of putting it the other way, because it is the outlay by the outgoing tenant.

30,228. As a matter of fact, I apprehend that is the way in which the valuations usually are conducted, but where farms are not held under the Agricultural Holdings Act they are sometimes held under agreements, or under certain customs in different counties, which provide that the outgoing tenant shall be allowed for a certain specific portion of the same expended on certain improvements?—I think that is more objectionable than the present Act. The fault I find with the present Act is that it is on too hard and fast a basis, and that it does not sufficiently take into account the improved condition or fertility of the soil. If it were enacted that a certain portion of what the outgoing tenant had spent would be repaid to him, that would be still worse than the present Act, so that that would be going entirely against what I contend for, for I think the present Act gives too much for certain applications or certain things purchased, and too little on the principle of compensation for improvement and fertility.

30,229. From your point of view then it would be better in framing any fresh legislation, or any amendments of existing legislation, to adhere to the principle of the existing Act with some extension of it?—Yes, with a considerable extension as to fertility and with improvements in regard to the operation of the Act in order to make it cheap, by having official valuers, say.

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30,230. (*Mr. Dalton.*) I think you said that the year ending last June 12 months was the worst year you have had?—Yes.

The seasons.

30,231. What sort of year has it been during the last 12 months?—I have not made up my books yet, and I do not know whether I will get out of paying the income tax for another year or not, but the profit will be very small, if any, I think.

Average rents.

30,232. What are the average rents per acre in your county of hill farms and the other farms?—I do not think I could answer that question at all usefully, because sometimes the rent is not 2*s.* 6*d.* an acre of hill land, and sometimes hill land may be worth 10*s.* an acre.

30,233. Can you give me the maximum and minimum in each, would the hill land be from 10*s.* to 2*s.* 6*d.* the acre?—We always pay by the number of sheep that the land will keep. We know how many sheep each farm in the district will keep, and we know how much rent it is worth by the number of sheep, and we do not take into account the acreage at all. I had to go to my leases the other day to see my acreages, as I knew that I was to be examined here on the point. I had thought that it was no consequence what acreage I had, it was how many sheep I was able to keep.

30,234. In those parts of the county which are not hill land, what is the rent; what does it vary from?—From about 15*s.* to 30*s.* for the field land, I think.

Rates.

30,235. What are the rates now in the pound; I mean the total rates in your union?—Down at Alnmouth, where I have one farm, or part of one farm, they are very high.

30,236. What would be the high ones?—I think they are 4*s.* in the pound in Alnmouth, but in Rothbury, where I have another farm, they are not more than half.

30,237. They are very much less than that in Rothbury, are they not? I have a Return here, according to which the poor rate in Rothbury was only about 3*d.* in the pound in 1890 and 1891?—Was that a year when some handsome subvention came in from the Government?

30,238. It is the average of two years, 1890 and 1891?—That is one rate, it does not include the school rate.

30,239. It is the rate, excluding the precept rates; what is the highway rate?—The highway rate will be about 7*d.* probably.

30,240. And the county rate?—5*d.* or 5½*d.*

30,241. That would bring it to about 1*s.* 3*d.* in Rothbury; on your farm at Rothbury, what do they come to altogether?—I am sorry to say I did not look up this point, but I think the whole rates come to something under 2*s.*, perhaps 1*s.* 6*d.* It is more than 3*d.* for the poor rate; that must have been an exceptional year.

30,242. It was the lowest in England?—It is more than that on the average, if you take more than one year.

30,243. I have only got the average for two years?—I think it will be double that; I think it will be 6*d.*

30,244. Has it gone up as compared with what it was 20 years ago?—A little, but not much.

30,245. In a return here, I have, comparing 1868 with 1890 and 1891, I find that the average rural rates in Northumberland have fallen from 2*s.* 1½*d.* to 1*s.* 7½*d.* The figures for 1868 are taken from Mr. Goschen's return, and the other figures are taken from Mr. Fowler's return?—When did these heavy subventions from the spirit duties come in?

30,246. The first lot of increased subventions under the Local Government Act came in 1889, the spirit duties, I think, came one or two years later?—I think that must have exercised an influence, in fact, I know it did, on the county rate.

30,247. No doubt. You are rather of the impression, I think, that the rates in your county have risen to some extent?—So they have; I am speaking more, perhaps, of the Alnwick district; in Rothbury, I should think, they have not; they have risen to me in Rothbury, but that happens to be from a change of the law putting the parishes into unions.

30,248. According to the figures Mr. Wilson-Fox gives from the Alnwick, Berwick-on-Tweed, and Glendale unions, which you may have seen in his report——?—I saw them.

30,249. There seems to have been no rise?—Apparently not, from Mr. Fox's evidence.

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30,250. You say that the poor rates and the road rates were put on, you think, because of the protection duties in former times?—I think the burdens on the land were no doubt put on on account of the landed classes being protected against the other class by an import duty.

30,251. Surely historically that is not the case. Has not the expense of the roads always been borne by the locality, and by the land? Originally the roads were made by the owners of the land, and they have always been a burden upon the inhabitants, except in the days of the turnpikes?—I thought the burden was met by tolls.

30,252. The highway expenses were paid by the parishes very much earlier than any turnpike tolls, and the turnpike tolls were abolished long after the abolition of the corn duties?—Of course, I might have extended my answer by saying that in those days land was the source of the principal income, but now there are other sources, much greater than land, which do not get their fair share of the burdens; I mean shipping, and some other industries.

30,253. What would your plan be of making the other properties pay more?—I would make it an Imperial question perhaps; I do not know.

Government subventions.

30,254. You have got subventions?—And I disapprove entirely of subventions. I have a great deal to do with local matters, and I think subventions are the worst things in the world; they are lost sight of after a few years in extravagance and disappear. I object to them very much

30,255. What would you substitute for them? How would you bring the other property under contributions without subventions, because that is the difficulty?—I suppose there might be a general tax, might there not?

30,256. A local income tax?—No, an Imperial tax over the empire.

30,257. But if that was handed out to the local authorities, that would be of the nature of the subventions that you object to, and you could not have a local income tax, for though the point has been investigated a great number of times, the difficulties have been found to be insuperable?—Of course I cannot tell, not having gone into that matter.

30,258. But you do not approve of subventions?—I should think it is only fair that these other industries should pay part of the rates, because I suppose that ships make part of the paupers, and I do not see why they should not pay for them, when those paupers go to the workhouse.

30,259. To what union would the shipping contribute?—I have not worked out the thing, I am sorry to say.

30,260. For instance, taking a tax on consols, if you make consols contribute, what union would the money go to?—I have not worked it out.

30,261. But you are against subventions?—I am against subventions; I think that is the worst form in which we could get the money.

30,262. But you have no other form to suggest?—I did not think of working it out; it did not occur to me that there would be any very great difficulty in taxing such industries.

30,263. Take your own county of Northumberland; what property in Northumberland, apart from shipping, escapes taxation; the railways pay it, the mines pay it?—The shipping does not pay it, and shipping is a great industry. Personalty pays nothing, does it?

30,264. Railway property is personal property, is it not?—So it is, but a great many forms of personalty do not pay.

30,265. A great many do pay, such as railways, waterworks, canals, gasworks, and mines; but you have no other scheme?—No, I have not thought out a scheme of getting the money.

30,266. That has always been the practical difficulty, has it not, to give it in any way so that it is not an Imperial subvention?—Very likely.

Tenure of farms.

30,267. (*Mr. Channing.*) How do you hold your farms; on lease, or from year to year?—I hold three farms from the Duke of Northumberland, and there is no lease; I think it is half a year's notice, if I remember

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correctly; it is a year's notice in the Act, but it can be reduced to six months.

30,268. Then it is really from year to year by agreement?—Yes. Another farm I hold to the end of the century. It was a 21 years' lease. Then it was extended, and I hold it to the end of the century. But another farm I hold for two years from now.

Rates.

30,269. I understood you to say that your rates, I am not speaking of rates generally, but of the rates on your own farms, that you have to pay, have increased since you entered upon them?—I did not mean to say that they have increased much, because they have increased only very little, but I think the tendency has been for rates to increase. I am afraid I am not the best witness for that, because my rates have increased very much, but that is on account of the change in the law in putting a lot of townships together in a union for the working of the Poor Law.

30,270. Indirectly?—Indirectly they have increased very much; they have trebled, probably. My impression from my books is that rates for the last 10 years are higher than they were the previous 10 years, to a certain extent, but nothing of any importance.

30,271. But taking the fact that directly or indirectly the rates that you personally pay have increased, the question I want to ask you is, whether your rent has been reduced in proportion to the rates, and on account of that heavier incidence of the rates, either directly or indirectly with you?—No, I do not think there has been any increase in the rates sufficient to cause a decrease in rent. We would never think of asking for a decrease of rent on account of any infinitesimal increase in the rates which has taken place. The reason that the rent reduction is asked for is on account of the low prices of produce.

30,272. I understood you to advocate a division of the rates between the owner and the occupier?—Yes, I should like very much to see that; but that is more a matter of sentiment, and of working smoothly. I should say here that I did not intend that the tenant should benefit financially by the change to the landlord paying half the rates; it was merely a different way of putting it. The tenant does not benefit now by the alteration in the collection of the tithe.

30,273. Is it not the usual theory of the rent of agricultural land, that the rates ultimately fall on the landlord, and is not the general argument for the division of the rates that that process takes too long in accomplishment for justice to be done between the parties?—The effect on people's minds of paying directly is very different from the effect of leaving the payment over for a certain number of years, and then having to pay it indirectly.

30,274. Still, if a new rate, for instance a School Board rate, is sprung upon you since you considered the first terms of your tenancy, you would think it only fair, would you not, that that rate should be considered in a revision of the rent, if it is a new rate?—Yes, only the other matters are so big that one forgets all about the increase of rates. I have not given sufficient attention to the rate question, not thinking it sufficiently important.

Reduction of rents.

30,275. You said something in cross-examination as to the reduction of rents in proportion to prices not being sufficient, because the outgoings were not reduced in anything like the same proportion?—That is so.

30,276. Is it your opinion that rents have not been sufficiently reduced, having that argument in view?—I did not by any means intend to say that the landlords had not reduced their rents in a reasonable manner. I meant to say that a reduction of rent by 25 per cent., say, did not compensate the tenant, although the prices had only gone down 25 per cent.

30,277. If it did not compensate the tenant, would he not be paying a portion of his rent out of capital, and not out of the earnings of the land?—He would if he did not make ends meet.

30,278. Is it your opinion that part of the agricultural depression is due to tenants having been paying their rent out of capital, and therefore losing funds?—That is the reason of a certain amount of deterioration in farming operations.

Prices and production.

30,279. Mr. Little asked you some questions about meeting low prices by cutting down expenditure; I suppose you would qualify your answer on that point, would you not; I understand that you advocate keeping up the high cultivation of the farms; you would cut off the extravagances, but you would not cut down the essentials of keeping the land in good heart, would you?—No; I cannot believe that in the end it can be good policy to reduce the condition of the soil, even although it does not pay for a year or two at present; I should believe in good cultivation and liberal cultivation.

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30,280. And in keeping the best stock, the best seeds, and generally in being up to the mark, so long as you were not extravagant?—That is so, and I believe in doing everything well.

Freedom of cultivation.

30,281. Have you expressed any opinion as to freedom of cultivation, and freedom to sell hay and straw, so long as you return sufficient manure?—I think that it would be better if there were more freedom of cultivation, but I do not think it could be unlimited. There would have to be some provisions whereby an ill-disposed tenant, or a poor tenant, might be prevented from injuring the land, that is, as you say, he must replace hay and straw by buying in manure, or something of the kind—by returning manure in place of the produce sold off.

30,282. If sufficient security is attained by forcing the tenants to replace manure enough to keep the land in good condition, do you think it would be fair under the present conditions of agriculture that tenants should then be free to sell their produce?—Yes, as long as provision is made that the land is not deteriorated, I think it would be quite fair and quite right to give them freedom of sale.

The Agricultural Holdings Act. Rent upon improvements.

30,283. Now, as I understand your evidence, your very interesting evidence, if I may say so, about the principle of compensation under the Agricultural Holdings Act, it comes to this, that the best tenants really get the least compensation?—They might.

30,284. Is it not also true with regard to the best tenants, the tenants who spend most on their land, that in keeping up the value of their land they have also kept up the amount of their own rents?—Yes, and there is also the disadvantage that their land is much more lettable, that is they could be made to pay increase rents upon their own improvements at the present moment.

30,285. That is, it is land which attracts a great deal of competition?—Yes, it attracts competition from being in good order.

30,286. Does that not, in your opinion, lead to an improving tenant being in practice rented on the value of his improvements?—No; I do not think it is acted upon as a rule I am glad to say, but it might be, and it is a grief to a tenant, and makes it unpleasant for him, to think that it might be rented; but, in practice the landlords of England have behaved very well in that respect, better, I think, perhaps than my countrymen in Scotland, and they do not generally rent on improvements.

30,287. You think the good tenants have got a reduction of rent which allows for the value of their improvements?—No, I do not think that good tenants get reductions easier. It is rather more difficult for them to get reductions; it is worse for them to prove their cases.

30,288. In that case they are rented on their improvements, are they not?—I should rather say that they are not very often in practice, but sentimentally it makes many a tenant unhappy to think that he may be rented on his improvements; and, no doubt some of them are, I would not like to say that they are generally.

30,289. Is it not your experience that tenants who have really kept up their land are practically compelled to pay the rent which other farmers would be willing to give for that land?—No, they are not compelled in every case to pay the rent which other farmers would give for this land; because, if the landlord is a reasonable, good landlord, he would not force them to that. They are liable to be compelled but they are not in all cases compelled, nor in very many cases probably.

30,290. Supposing one farmer has neglected his farm, and brought down the value, he would very possibly get a reduction based upon the deteriorated condition of his farm, because other farmers would not give more than a certain value for it?—I have seen cases of that kind where a man farms so badly that he could get any reduction, because nobody would take his land, the land is so dreadfully depreciated.

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30,291. Similarly, a good farmer, farming on the same estate, who really kept up the value of his land, would not get his rent reduced to the amount which would allow him the value of his improvements, would he?—No, he would not; the tendency would rather be that his rent would be kept up.

30,292. (*Mr. Dalton.*) Mr. Channing asked you before whether that was not renting the man on his own improvements; what do you say?—That would be renting him on his own improvements, but I wanted to bring it out that generally the landlord did not wish to rent the man on his own improvements.

30,293. (*Mr. Channing.*) You wish to state a thing which I thoroughly agree with, namely, that the greater part of the English landlords have tried to meet their tenants as fairly as possible?—That is so.

30,294. On the other hand, these cases do occur, and your assertion that the best man fares worst is not only true with regard to compensation, but also, to a certain extent, with regard to rent?—Yes; I have proved that in my own case. On one of my farms on one occasion I happened to have a difference with my landlord, and I felt what a fool I was to go on and improve this place, which would now let quite readily, and that there would be a dozen tenants for it.

Railway rates.

30,295. Just one question about railway rates; you are a member of the Northumberland County Council, are you not?—Yes.

30,296. You passed some resolutions which reached me the other day. One of your points is, I think, that the trader could not prove his case under the Government Bill, or rather that he would not be able to get proof easily of what the rates of 1892 were, and thereby prove that he was paying an increase; I think that was one of the points, but perhaps if you have not it fresh in your mind, I need not trouble you with it?—It should be fresh in my mind, for I have been working at it pretty well. There is a difficulty in getting at the old rates; is that the point?

30,297. The point would rather arise in getting an increased rate reduced to a reasonable amount, and I am asking you whether the agriculturist who has paid overcharges in the course of last year would not find a very great difficulty in proving his case, because he would not have access to the necessary documents?—That is quite so; it would be very difficult. Most of us farmers have paid these rates, and I do not think we shall ever get back the money. It would be very difficult to prove at any rate, as they have removed the old books from the stations.

30,298. You have not access to the old books now of 1892?—No, they have taken them away; we had them.

30,299. If you have not access to the old books of 1892, you would not be able to prove your case?—That is so. I have thought over that a good deal. We will get none of it back, whatever the rate is that is fixed ultimately.

30,300. Do you think any such Bill would be of any use unless it enabled the farmers who had actually paid overcharges in the last year to recover part of those overcharges?—It would be very good if the overcharges were recovered, but I think it would be still more important that we should have a Bill to deal with the companies in the future.

30,301. (*Captain Owen Thomas.*) How long have you been engaged in farming?—Since I could walk probably, more or less; I have been engaged in farming all my life. I am engaged in something else now as well.

30,302. How much per acre are you paying now for your farms in Northumberland?—These hill farms are, I should think, about 2,300*l.* altogether.

30,303. Have they been reduced?—Yes, most of them have, all except one, I think.

30,304. When did you first feel the effects of this depression?—After 1874 or 1875.

30,305. Since that, I suppose, prices have gradually fallen?—No. In 1882 and in 1883 there were very high prices for stock.

Low prices.

30,306. Have you, during your long experience, ever seen prices so low as at present?—Never.

30,307. I think you said prices had fallen 35 per cent.?—I think so on stock.

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30,308. As compared with 30 years before?—The last three years I hold to be 35 per cent. lower than the preceding 30 years' average.

30,309. And as compared with 1883?—The present prices are not more than half the prices of 1883. In 1883 there was a boom.

30,310. I think you said that the rents had not been reduced in proportion to the reduction of prices?—No, they have not in this way; that rent does not represent the whole outgoings of the farm, and the other things have not been reduced, except artificial foods and manures. The rent with me only represents one-fourth.

Tenants' capital.

30,311. What is the capital necessary to enable a man to stock a farm in your neighbourhood?—That is a very difficult question to answer. On arable land, and good field land, probably it would be from 7*l.* to 10*l.* an acre; but then with the hill lands it is impossible to calculate how much per acre, because they are so diverse. Sometimes they are only worth 1*s.* or 2*s.* an acre, and sometimes they are worth 5*s.* or 10*s.*

30,312. Do you keep accounts?—Yes, I keep books.

30,313. What would be a fair interest for a farmer to get on his capital, or what did he get, rather, previous to the depression?—They were very good times for sheep farmers before 1875, as a rule, and farmers made some money then. I should think sheep farmers were getting from 8 to 10 per cent., quite.

30,314. Are they making anything now?—No; I made less than nothing last year, and I think I will make very little this year, if anything. I think, generally, they are certainly not making anything.

30,315. Do you see any prospect of prices going up?—I am like most people; hope is never dead in my breast, and I do hope for prices going up.

Prospects of farming.

30,316. Have you anything you can point to to justify your hopes?—Yes, to a certain extent. The Americans make it pretty clear that after so many years they will require all they can produce. When I was out in America a few years ago, and travelled over America to see the country, I was thoroughly astonished. If agriculture is bad in this country, it was worse in America. It was less profitable in America, and it was the most wretched business that ever I saw. I do not think myself that it will go on, and even if other countries send to us, they will not.

30,317. You have suggested certain remedies in your brief. Do you think that if they were all carried out there would be any chance of things improving?—Yes, I think they might do good at any rate.

Co-operative sheep farming.

30,318. (*Mr. Everett.*) In regard to the shepherds, have they sheep of their own running with the master's, or do they take a percentage of the profit of the whole flock?—They have sheep of their own, and they are ear-marked for themselves, and they sell the produce themselves if they like; or if they like to ask the master he generally allows their sheep to be sold with his. Their sheep are entirely distinct, and they have capital of their own invested in the sheep.

Women's labour.

30,319. The women's wages, I think you said, were 18*d.* per day?—With a higher wage in harvest, when they have 20 days at 3*s.* per day.

30,320. What hours do they work for the 18*d.*?—I think they work about nine hours.

30,321. (*Mr. Little.*) They work for the same hours as the hinds, do they not?—Generally the same, but on some farms they work a little less. I think the hinds just work about nine hours now.

Co-operative sheep farming.

30,322. (*Mr. Elton.*) About the shepherds, you said it was a system that had gone on for some time?—Yes, very long I think.

30,323. Practically it has been going on ever since there has been a county of Northumberland. I suppose?—I suppose since sheep farming began in Northumberland; I should say it probably had.

30,324. I think I have noticed it in other parts of the country, where a shepherd looks after what they call the town flock. In Northumberland, I suppose, the parish would be held by one farmer only, is that so, or would it be worked for more than one farm?—I do not understand the term town flock.

30,325. It is a local term?—Is it a south country term?

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30,326. It is a midland county term. It is the same as the parish flock. It means that shepherds look after all the sheep of the combined farms of the parish?—Is that on common lands?

30,327. No, but it is a system which is very like yours, because the shepherds run their own sheep with the flock. It is a very ancient system; it is not a modern form of co-operation?—No.

Labour.

30,328. When you talk about the price of labour, may I ask whether you recollect what the labour was worth before 1888. I think you have mentioned that it has risen since 1888?—It has risen since 1888. At that time the labourer would be getting 3*s.* a week less, I should think, quite.

30,329. A rise of 3*s.* a week is a very large item of expenditure?—Yes, I think they would be getting three to four shillings less.

Condition of labourers.

30,330. Are there a good many labourers still in employ?—Yes, there is a considerable number of labourers.

30,331. Would a rise of 3*s.* per week per labourer compare largely with the amount of rent. Take a farm with a rent of so many hundreds a year; would you say that on that farm the 3*s.* extra per week for the labourers would be a small item or a very large one?—It is a very considerable rise in the labour bill. I am sorry that I did not look out the figures, but my impression is that the labour bill equals the rate.

30,332. I would put it very shortly: Would not a rise in the price paid for labour, speaking very generally, say a rise of 25 per cent., have very much the same effect as cutting 25 per cent. off the rent; that is, could it be paid for by cutting 25 per cent. off the rent?—I do not think labour has risen 25 per cent., but it has risen probably 10 per cent. since 1888.

30,333. Ten per cent. will do just as well?—I do not look upon it in the same light as a cutting off of rent, or a raising of rent, because when labour rises we expect to get a certain benefit from it, because labour does not rise to the farmer unless it rises over the country generally, and we always find that high wages make the recipients consume more agricultural produce. So that high wages are rather a source of profit to us than otherwise.

30,334. There is a source of profit about that rise?—Yes, but there is not in the other case.

30,335. When you estimate 23 or 24 shillings per week as the amount of the labourer's wage, you took the cottage at about 3*s.* or 3*s.* 6*d.* I think, did you not?—Yes, I think so.

Cottages and gardens.

30,336. Do the cottages with a garden let at that rate. I only want to know on what your statement is based, whether it is based on actual payments made for other cottages or not, because it is a large price?—We charge 4*s.* and 4*s.* 6*d.* for colliery cottages, and I was comparing the hind's wages with the miner's wages.

30,337. Miners' cottages, of course, are very good as compared with ordinary agricultural labourers' cottages?—Our cottages in Northumberland now are about as good as the miners' cottages; they are very good cottages.

30,338. Very well, I will take that answer, that the reason why you put the cottages at 3*s.* to 3*s.* 6*d.* is because they are very good?—Yes, they have a very good garden, and a good-sized garden.

30,339. In the parts of the country I am familiar with we should charge what you are speaking of at under 18*d.* a week, garden included. We should charge 1*s.* for the house and 3*d.* for the garden?—We do not know anything about letting cottages. When I mentioned 3*s.* to 3*s.* 6*d.* I was calculating the hind's wages against the miner's wages.

30,340. You say altogether it is worth to him 23*s.* or 24*s.* a week?—I was putting it that if the miner paid 3*s.*, or his house cost him 3*s.* a week, the hind's cottage should be based on something like the same footing.

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30,341. If the hind had to hire a cottage would he have to pay that amount?—I think so.

30,342. (*Mr. Little.*) What accommodation do these cottages contain?—My own principally have two rooms below and two bedrooms above, but some of them have three.

30,343. On the estates of the Duke of Northumberland?—Yes, and on Sir John Haggerston's estates. I think they are much the same.

30,344. But that is not the general run, is it?—That is rather better than the general run. They are very much improved. Some of them only had one room when I knew them first, and there are very few now of two rooms.

30,345. (*Mr. Elton.*) You would not value those at 3*s.* a week?—No.

30,346. The potato ground you put at 1*s.* 6*d.* a week throughout the year, I think?—Yes.

30,347. How much ground is it? 1,000 square yards?—No, 1,000 lineal yards of drill; sometimes it is 1,200 lineal yards.

30,348. What sort of space does that represent?—It would be just about the fifth of an acre. It is planted by the farmer, with the farmer's seed and work.

30,349. Do you think an acre prepared by a farmer is worth 20*l.* a year?—Yes.

30,350. It is a very high price, is it not?—No, not for potatoes. It may be in such a year as this has been, but taking the run of years it is not.

30,351. By taking the run, you mean taking the common years?—Yes; it is not a very high price.

30,352. Do you think that is a proper price at which to estimate the potato ground for the cottages?—Yes, I think so. There are some other perquisites. I do not know that I gave them all. For instance, coals are led for the hinds from the pits to the railway stations.

30,353. The reason I am asking you this question is that it appears to me to alter the relative situation between the Northumberland hind and the southern labourer very much, because the things that we in the south say are worth 10*l.* a year for so much potato ground, and 1*s.* 6*d.* to 1*s.* 9*d.* for cottage and garden are counted at double the value up in Northumberland; and, therefore, the wages appear very much higher, though they are not so much higher. You consider that that is a right way of estimating the value of the potato ground, by putting it at 20*l.* an acre when it is prepared by the farmer, sown with his seed, and everything?—Yes, that is the ordinary calculation that we make.

Labour.

30,354. (*Lord Rendel.*) I think, in attempting to assess the value of the wages in money, you did so for the purpose of comparing the cost of the hind with the cost of the miner?—Yes, that is just what I was trying to state.

30,355. And you wish to point out that the miners' wage more or less determined the wage of the agricultural labourer?—That was so. Then I went on to contrast their cottages, but perhaps the figure I stated would be too much rent to pay in another district where there was not the element of competition by miners. That was what I was wishing to correct in the learned Commissioner's mind, as I should be sorry if there was any mistake in that way; when I was mentioning the price of cottages I was contrasting the hind's wage with the miner's wage.

The witness withdrew.

Adjourned to Thursday next at 12 o'clock.

Fifty-second Day.

Thursday, 12th July 1894.

PRESENT:

THE RIGHT HON. GEORGE JOHN SHAW-LEFEVRE, M.P., IN THE CHAIR.

The Right Hon. Viscount COBHAM.
The Right Hon. BARON RENDEL.
The Right Hon. HENRY CHAPLIN, M.P.
Sir ROBERT NIGEL FITZHARDINGE KINGSCOTE, K.C.B.
ROBERT GIFFIN, Esq., C.B.
Captain OWEN THOMAS.
FRANCIS ALLSTON CHANNING, Esq., M.P.
JOHN CLAY, Esq.
CORNELIUS NEALE DALTON, Esq., C.B.
ROBERT LACEY EVERETT, Esq., M.P.
JOHN GILMOUR, Esq.
GEORGE LAMBERT, Esq., M.P.
WILLIAM CUTLACK LITTLE, Esq.
WALTER HUME LONG, Esq., M.P.
CHARLES WHITEHEAD, Esq., F.L.S.

HERBERT LYON, Esq., *Secretary.*
R. F. CRAWFORD, Esq., *Assistant Secretary.*

Mr. G. Muirhead.

12 July 1894.

Mr. GEORGE MUIRHEAD called and examined.

Mr. G. Muirhead.

12 July 1894.

Area of estates.

30,356. (*Chairman.*) I believe you are the agent of Lord Aberdeen for his estate in Aberdeenshire?—Yes.

30,357. What is the size of that estate?—The total extent of the estates for which I am agent belonging to Lord Aberdeen is 53,000 acres, of which 43,705 are arable, 2,007 are pasture, 3,105 waste, roads, and streams, 3,717 plantations, and 466 mosses—in all 53,000 acres. About 1,000 acres of arable land are in the occupation of the proprietor.

Rental.

30,358. The rental of that property, so far as it is let, amounts to about 40,000*l.* a year?—Yes.

30,359. I see that it has not varied very considerably; in 1872 it was 35,000*l.*, in 1873, 36,000*l.*, and in 1874 38,000*l.*; then it rose gradually to 41,800*l.* in 1884, and since then there has been a very slight reduction of about 1,000*l.* a year, and it now amounts to about 40,700*l.*?—Yes.

30,360. Apparently the rental actually received has approximated very closely to the agreed rental?—Yes, it has so. Of course there have been arrears, but these arrears are not taken into account in the figures you have read.

30,361. There is a column in this table which I have before me of rent actually received?—That means the actual rent that the tenant should pay, exclusive of arrears, of which there are always some.

30,362. (*Mr. Channing.*) Does it include the temporary remissions?—The remissions are shown separately in the table. In 1892 about 2,000*l.* were given to the tenants who, on account of bad weather during harvest, could not get their crops secured in good order that year. In 1880 Lord Aberdeen gave a remission of rent amounting to 19,791*l.* on account of the agricultural depression existing at that time.

30,363. (*Chairman.*) For how long a period?—In 1880.

30,364. For that one year was it?—Yes. He gave about half the rental. The rental of that year was 40,882*l.*, and he gave abatements amounting to 19,791*l.*

30,365. That was after the very bad season of 1879?—Yes. Agricultural depression at that time was apparently felt severely in Aberdeenshire. There was a proposal about that period to bring a new branch line, from Udny Station on the Great North of Scotland Railway to the village of Methlick, on the Haddo House estates, and Lord Aberdeen intended, I understand, to give a very large subscription to the proposed new line of railway with a view of getting better facilities for his tenants with regard to carriages, but the scheme fell through. He was, however, so good as to substitute for the subscription an abatement of rent, and so half a year's rent was given back to the tenants in 1880. Then in 1886 Lord Aberdeen gave an abatement of 5,068*l.* on a rental of 42,030*l.*, and in 1892 he gave another abatement of 2,039*l.* on a rental of 40,728*l.* That was on account of the bad harvest of 1892; in many cases the crop could not be got in at all, and when it was got in it was worth very little money on account of the continuous rains, which fell from the month of August on to the month of November.

30,366. Then in 1893 what was done?—In 1893 there was no abatement.

Re-valuation of farms and reduction of rents.

30,367. Then with those three exceptions, 1880, 1886, and 1892, the rents have been fairly collected?—Yes, I may mention that in 1886, or about that time, Lord Aberdeen arranged to allow what is called a re-valuation of the farms to every tenant who would apply for it. A considerable number of farmers took advantage of this re-valuation, which was done by arbitration, and there was a fall on the farms whose occupants had applied for re-valuation, of about 23 per cent. on a rental of about 11,000*l.*

30,368. (*Mr. Channing.*) Can we have the number of tenants who applied for the re-valuation?—Yes. 158 tenants, involving a rental of 15,575*l.*, applied, but as 12 of these had got a re-valuation of their holdings in 1882, and a number of others had only recently entered into new leases, or had withdrawn their applications, the above number was reduced to 125, involving a rental of 11,045*l.*

30,369. (*Mr. Everett.*) What reduction did the re-valuation result in?—It resulted in a reduction of about 23 per cent. on a rental of about 11,000*l.*

30,370. (*Mr. Channing.*) That would be on about one-third of the estate?—It might be about one-fourth of the rental of the estate, and include about one-sixth of the tenantry.

30,371. (*Chairman.*) Was that re-valuation allowed to the tenants who had leases?—They all have leases; Lord Aberdeen was so liberal as to allow it to all the tenantry, with the exceptions which I have mentioned.

30,372. Were they 19 years' leases?—Yes. All that the tenants had to do was to intimate that they wanted a re-valuation, and the arrangements were made by an arbitrator appointed by the tenants, and an arbitrator appointed by Lord Aberdeen, with an oversman. Lord Aberdeen arranged that the reduced rents should continue for five years; then when the five years came to an end matters were looking rather better in Aberdeenshire, and the reduced rents were re-arranged, with the result that they were raised 12 per cent., and that brought them within 11 per cent. of the old rents.

30,373. You mean those particular farms that were re-valued?—Yes. The other farms were allowed to remain at the rents stipulated in the leases.

30,374. That reduction was given for five years I think you said?—Yes. The last year in which it was given was 1890. Those farmers who got a re-valuation in 1886 continued to get the reduction for five years until 1890, when Lord Aberdeen re-considered the

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question, and their rents were then raised 12 per cent., making them, as I have said, still 11 per cent. below the original rents; those rents they have continued to pay since 1890.

30,375. Then practically the result is that, looking over the whole, the rents have been reduced by 12 per cent. on about one-third of the rental?—Yes, on about one-fourth of the rental.

30,376. And the tenants of two-thirds have not applied for abatements?—They did not apply for a revaluation; they were satisfied with their bargains.

Small holders.

30,377. It appears from the figures before us that a very large proportion of the tenants are small tenants?—A very large proportion.

30,378. Of 800 tenants only 130 have holdings of over 100 acres?—Yes.

30,379. And 111 of those have holdings between 100 and 300 acres, and 17 have holdings from 300 to 500 acres?—I find from my notes here that there are 62 tenants whose holdings extend from one to five acres each.

30,380. Those, I suppose, are really labourers?—Yes, generally speaking. They cultivate their crofts, and they take work besides; they do work for the larger farmers and harvest work where they can get it.

30,381. Then I see there are 180 tenants holding from 5 to 10 acres?—Yes.

30,382. What are those men?—They are much in the same way of doing as the tenants who occupy the smaller holdings. They take such farm and other work as they can get in the neighbourhood.

30,383. Then there are 143 tenants holding from 10 to 20 acres, what are those, do they live wholly by the land or what?—These tenants include tradesmen, such as masons, carpenters, and blacksmiths, and some of them take additional farm work if they can get it; probably they keep a horse and get some work in the neighbourhood.

30,384. What is the case when you come to those tenants who hold between 20 and 50 acres?—These tenants generally speaking are wholly occupied with work on their own holdings.

30,385. Do they live wholly upon the land?—Speaking generally they do. Of course they may have some carting or ploughing to do for their neighbours; but when a farm comes to about 30 or 50 acres, it takes the tenant all his time to cultivate and attend to it.

30,386. Are these smaller tenants at all the class you would call crofters or no?—They have all leases, but I suppose they would be called crofters, although they really are not; they are just small tenants. A number of those tenants hold from year to year under a yearly lease.

Particulars of houses and buildings.

30,387. (*Mr. Little.*) Have they generally houses on their holdings?—Yes, they have a house with a small arrangement of offices to suit requirements. I have brought with me some details of their houses and offices, which I can lay before the Commission (if the Chairman wishes me to do so), setting forth what is given in the way of buildings on the various sizes of farms on Lord Aberdeen's estates, from 1 to 5 acres, from 5 to 10 acres, from 10 to 20 acres, from 20 to 50 acres, for 100 acres, for 300 acres, and for 500 acres. These details bring out very important information; for instance, for farms which extend from 1 to 5 acres it takes 42 years' rental to provide the necessary buildings.

30,388. (*Chairman.*) Have the houses been erected by the landlord?—I am speaking of the cases of houses erected by the landlord, and I have with me the actual plans that have been in use. In the case of farms from 1 to 5 acres, the plans for the farmhouse give accommodation for a kitchen, two bed-rooms, a scullery, and a milk-house; the cost is about 133*l.*, and the cubical air space is 5,453 cubic feet, which costs about $5\frac{1}{12}d.$ per cubic foot. The farm offices include a barn for straw and turnips, a byre for one cow, one stirk, and one calf; the cost is about 47*l.*, the cubical air space 3,354 cubic feet, at a cost of about $3\frac{4}{12}d.$ per cubic foot. The total cost of the farmhouse and offices is 180*l.*, which is equal to about 42 years' rental of land at 17*s.* per acre.

30,389. Has the landowner erected all these buildings himself or have the tenants erected them?—The old houses and offices originally were built by the tenantry with the help of the landlord, but now in the case of new offices the proprietor erects them himself, and either the tenant pays interest or there is an arrangement in connection with the rent, as the case may be. Then with regard to a 10-acre holding, I see that the farmhouse is on the same plan as the farmhouse for a five-acre holding, that it costs about 133*l.*, and that it has the same cubical air space. The farm offices of course are a little larger and the accommodation includes a barn for straw and turnips, and a byre for two cows, two stirks, and two calves. The cost is about 60*l.*, the cubical air space being 4,415 cubic feet, or about $3\frac{8}{12}d.$ per cubic foot. The total cost of farmhouse and offices is 193*l.*, which is equal to about $22\frac{7}{12}$ years' rent at 17*s.* per acre. That is on a 10-acre holding. In the case of a 20-acre holding, the farmhouse accommodation includes kitchen, two bed-rooms and milk-house on ground-floor, and two bed-rooms upstairs; the cost is about 150*l.*, the cubical air space is 6,350 cubic feet, which comes to about $5\frac{8}{12}d.$ per cubic foot. Then the farm offices for a 20-acre holding include barn, byre, for nine cattle, turnip-shed, stable for two horses, and a cart shed; the cost is about 150*l.*, the cubical air space being 15,340 cubic feet, or about $2\frac{11}{12}d.$ per cubic foot. A holding of this size has generally two horses, the tenant working the smaller crofts. The total cost of farmhouse and offices is 300*l.*, which is equal to $17\frac{7}{12}$ years' rent at 17*s.* per acre. In the case of a 50-acre holding the farmhouse accommodation includes kitchen, parlour, bed-room, milk-house, and scullery on ground flour, and two bed-rooms and closet upstairs. The cost is about 210*l*; the cubical air space 8,840 cubic feet, which comes to about $5\frac{8}{12}d.$ per cubic foot. The farm offices for a 50-acre holding include barn, byre for 20 cattle, turnip-shed, stable for three horses, farm servants' sleeping apartment, and a cart-shed. The cost is about 304*l*, the cubical air space being 36,514 cubic feet, or about 2*d.* per cubic foot. The total cost of farmhouse and offices is 514*l.*, which is equal to about 12 years' rent at 17*s.* per acre. In the case of a 100-acre holding the farmhouse accommodation includes kitchen, parlour, living room, bed-room, scullery, and milk-house on ground floor, and two bed-rooms and closet upstairs. The cost is about 225*l.*, the cubical air space being 9,941 cubic feet, which comes to about $5\frac{5}{12}d.$ per cubic foot. The farm offices for a 100-acre holding include barn, byre for 36 cattle, turnip shed, stable for four horses, farm servants' sleeping apartment, and a cart-shed. The cost is about 480*l.*, the cubical air space being 62,782 cubic feet, or about $1\frac{10}{12}d.$ per cubic foot. The total cost of farmhouse and offices is 705*l.*, which is equal to about $8\frac{3}{12}$ years' rent at 17*s.* per acre. For a 300-acre holding the farmhouse accommodation includes three rooms, kitchen, scullery, servants' bed-room, pantry, milk-house, &c., on ground floor, and six bed-rooms and two attic-rooms upstairs. The cost is about 560*l.*; the cubical air space 24,150 cubic feet, which comes to about $5\frac{7}{12}d.$ per cubic foot. The farm offices (which also would be suitable for a holding of 250, 275, or 300 acres) include barn, byres for 100 cattle, stable for eight horses, colts and pony stable for six horses, farm servants' sleeping apartment, cart-shed, and turnip-sheds. The cost is about 1,014*l.*, the cubical air space being 131,812 cubic feet, or about $1\frac{10}{12}d.$ per cubic foot. The total cost of farmhouse and offices is 1,574*l.* which is equal to about 6 years' rent at 17*s.* per acre. In the case of a 500-acre holding the farmhouse accommodation includes dining-room, drawing-room, parlour, nursery, kitchen, servants' bed-room, pantry, &c., milk-house, all on the ground floor; five bed-rooms upstairs, bath-room, and two closets. The cost is about 800*l.*, the cubical air space being 34,550 cubic feet, which comes to about $5\frac{7}{12}d.$ per cubic foot. The farm offices for a 500-acre holding include byre for 129 cattle, three loose boxes, cattle-shed, stable for 12 work-horses, colts'-stable for eight horses, riding stable for three horses, turnip-sheds, cart-shed, gig house, tool-house, hay-house, implement-shed, poultry and pig houses, farm servants' sleeping apartments, engine-house, &c. The cost is about 1,700*l.*, the cubical air space 279,800 cubic feet or about $1\frac{6}{12}d.$ per cubit foot. The total cost of farm-house and offices is 2,500*l.*, which is equal to $5\frac{1}{2}$ years' rent of land at 17*s.* per acre.

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Net rental.

30,390. I perceive from the statement you have laid before us after accounting for all outgoings, including repairs and improvements, expenses of management, local rates, and so forth, the net income of Lord Aberdeen has been very fairly maintained for the last 20 years?—Yes.

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30,391. And that it has averaged about 28,000*l.* a year —it does not appear to have fallen off from that?—Not appreciably, speaking generally.

Applications for farms.

30,392. When the farms are vacant are there plenty of applicants for them?—At the present time I have a hundred applications lying in my office for holdings on Lord Aberdeen's estates which I cannot supply.

30,393. For holdings of all sizes?—Of all sizes; at least a hundred applications.

30,394. (*Mr. Channing.*) Which you are not in a position to meet?—Which I am not in a position to meet. I have a printed form which, in the case of an application being made to me, is put in use in this way; the form sets forth the size of the farm and the position of it, and also states what rent the applicant will offer for it; the form also states the requirements of the applicant in the case of his offer being favourably considered.

30,395. Are these men who have made applications to you men of sufficient capital?—I am proceeding to explain to you what occurs. When a man sends to me an application for a farm, I forward to him one of these offer forms, which contains a column for bankers' references, and also a column for references as to the applicant's character as an agriculturist. I collate the offer forms when they are returned to me, and communicate with the bankers and also with the gentlemen to whom the applicants have referred with regard to their character, and I keep the completed forms all ready in my office for immediate use. In the case of a lease coming to an end on Lord Aberdeen's estate he always arranges for the sitting tenant getting the farm if this can be done at all, and I may mention that I have, within the last five years, let no fewer than 400 farms, principally to sitting tenants.

30,396. That is to say, on the termination of leases?—Yes.

30,397. Do you give a preference to the sitting tenant?—Yes. Very few tenants leave.

30,398. When a vacancy occurs through the death of the tenant or his unwillingness to continue the lease, what happens then?—I then take the offer forms, which I have by me, and choose from them, say, half-a-dozen men with the requisite capital, and I send notice to these men that the farm has been given up by the tenant, and ask them to offer for it. These half-dozen men are suitable in every way with regard to character and also financially to take the farm. After the offers come in I look carefully over the requirements of the offerers, and lay the offers before Lord Aberdeen, who then selects the applicant which he prefers as a tenant for the farm.

30,399. Does it generally result at present in your getting a larger rent than you got from the outgoing man?—Within this last year rents have been advancing. I should say that, generally speaking, with a smaller holding I can perhaps get an advance of from 10 to 15, or even almost 20 per cent. I do not like to induce the tenants to give more than a reasonable rent for the land.

30,400. You do not require a competition rent exactly?—What Lord Aberdeen wishes is to let the land at its fair letting value in such a way that the tenant can live comfortably upon it. Without any pressure on the part of the proprietor I find that advances of from 10 to 15 per cent. are now being made.

30,401. Without pressing?—Without pressing. Supposing there was a farm of 20 acres to be let, I would send to, say, half-a-dozen or a dozen applicants for holdings notice that such a farm had been given up, and the offers that would come in to me would be probably from 10 to 15 per cent. higher than the old rent, that is the best of them; the most suitable man with regard to capital and character would probably offer about 10 or 15 per cent. more than the old rent.

30,402. Do you find plenty of men with sufficient capital making applications?—Yes.

30,403. Is there no difficulty?—I have applications in my office from men with capital from 50*l.* to 3,000*l.*

30,404. In the case of the larger farms do you still find plenty of applicants?—No, I do not think that I could with the same facility let the larger farms. There is not the same demand for larger farms. I have not recently had experience with a large farm in the market, that is to say, in inviting offers for it, but I have been re-letting a number of the larger farms at a small reduction on about the old rent.

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20,405. But those are to the existing tenants I suppose?—Yes.

30,406. Where there is a larger farm vacant do you find that you can get men with capital to take it?—I have applications from men who have from 50*l.* to 3,000*l.*, but I find of late years that in the case of a large farm becoming vacant a number of the tenantry have no hesitation in agreeing to take it at the estates' land valuator's valuation. About six months ago the tenant of a 300-acre farm could not carry it on; he got into difficulties, and had to give up farming. Lord Aberdeen instructed me to give this tenant a smaller holding, which he has now got. I have almost never known a case where a tenant has been turned off the estate when he has got into difficulties. A smaller holding suitable for the means which the tenant still has is generally offered to him if such can be got. The tenant of the 300-acre farm mentioned was succeeded by another of Lord Aberdeen's tenantry, who expressed his willingness to take the farm at the estates' valuator's valuation. The tenantry are apparently willing to take larger farms in that way.

System of cultivation.

30,407. What is the general nature of the cultivation there?—The general nature is arable and the crops are chiefly oats, grass, and turnips; barley is also grown, but no wheat.

Demand for farms.

30,408. I see that at a meeting which was held in Dalkeith within the last few days with a view to communication with Mr. Hope, the Sub-Commissioner appointed by this Commission, the various speakers are represented to have been unanimous in holding that the competition for good arable farms in Scotland was never keener than it is just now; do you say the same thing for your district?—I can say the same thing with regard to the smaller holdings. I have had no recent experience with regard to the larger holdings on the Haddo House Estates. These speakers evidently referred to farms advertised in the newspapers for public competition. I hear on all sides that the demand in the south of Scotland for large farms is very great. I was for twenty years an agent in the south of Scotland—in Berwickshire—and gave evidence before the last Commission with regard to that part of the country. then experienced the difficulty of falling rents.

30,409. Does your own experience in Aberdeenshire tally with those I have quoted?—Yes, so far as the smaller farms are concerned.

30,410. Up to what average-sized farms would you say?—Up to about 100 acres.

30,411. Beyond that you have not had much experience in re-letting?—Not in re-letting to new tenants.

30,412. The tenants have gone on?—Yes. In the case of the 300-acre farm which I have mentioned the tenant has taken it on the estates' valuator's valuation, and the farm has been valued lately, and the fall has been about 9 per cent.

Condition of labourers.

30,413. As regards the labourers of your district; what is their condition?—The farm labourers to a large extent on the Haddo House Estates are unmarried young men, and on the larger farms they live in what is called, in Aberdeenshire, a bothy. They have their food chiefly in the bothy, but a part of it in the farmer's kitchen. On the smaller holdings, however, the young men get all their food in the farmer's kitchen, and sleep in a chamber at the farm offices at night. A demand of late years has been rising for increased accommodation in the shape of labourers' cottages and the Earl of Aberdeen intimated to his tenantry about two years ago that he would be prepared to erect whatever labourers' cottages were required by the farmers on his estates at a rent of 3*l.* for each labourer's cottage. I have taken the liberty of bringing here, to lay before the Commissioners, a plan which Lord Aberdeen recently adopted for cottages, and which is found to be very suitable.

30,414. I think you said that the labourers generally living in these bothies are young men?—Yes.

30,415 Are they the sons of these smaller tenants—Yes, principally.

30,416. What are their wages?—They get partly money and partly meal and milk, with lodgings, the monetary value of all which is about 17*s.* or 18*s.* a week.

30,417. Has the rate of wages been maintained?—It has been maintained so far as I know.

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30,418. Of course the farmer feeds them?—Yes.

30,419. Seventeen shillings a week do you say?—Of course that would include everything—a farm servant who is fed and housed would, if you reckon all his advantages, be in the receipt of something like 17*s.* to 18*s.* a week.

30,420. But when a man gets paid in wages in full?—He gets 17*s.* or 18*s.* a week.

30,421. Comparing that with 15 or 20 years ago, I presume the labourer is a good deal better off?—I should imagine so.

30,422. On account of the fall of prices?—Besides, the appreciation of the value of money in which he is paid has to be looked to; the money is more valuable now.

30,423. He gets more for his money?—Yes.

30,424. And so he is better off?—I suppose so.

30,425. Should you say, looking at it as a whole, that the condition of the labourers has improved of late years?—Yes, financially I should say so. The demand for cottage accommodation is rising, but it is difficult to meet a great demand of that nature, the expenditure being very heavy.

30,426. Then it would seem that the tenants of the estate have had to pay the same wages that they did formerly and very much the same rent, with a very small reduction?—Yes.

30,427. And they have been able to do so in spite of the fall of prices?—Apparently so.

Demand for farms.

30,428. At all events their condition is such that other persons are ready to come in and take their place?—Yes, that is so.

30,429. And there is plenty of demand for farms in the district?—Yes, there is a great demand for holdings under 100 acres.

Prices in Aberdeenshire.

30,430. How do you account for their being able to do that in spite of the fall of prices?—I believe that probably what is called the depression in agriculture has not been so severely felt in Aberdeenshire, at all events on the Haddo House estates, as it has been felt in the south of Scotland. Our agricultural produce, I think, has not fallen in price so much as wheat, for instance. I may mention that the Haddo House tenantry are, generally speaking, very industrious, and endeavour to keep their rents well paid up.

30,431. Other prices have not fallen so much you say, but they have fallen, have they not?—Yes, they have fallen. I made an abstract of the fiars prices of Aberdeenshire for the seven years previous to 1886 and for the seven years previous to 1893. From that I find that the first quality of oats with fodder on the average of the seven years previous to 1886 was 28*s.* 9*d.*, and on the average of the seven years previous to 1893 was 26*s.* The first quality of oats without fodder—that is, without the straw—for the seven years previous to 1886 averaged 19*s.* 7*d.*, and for the seven years ending with 1893 the average was 17*s.* 4*d.* The second quality of oats with fodder for the seven years previous to 1886 was 26*s.* 3*d.*

30,432. Do you mean by oats with fodder, oats with straw?—Yes, with straw; they have that custom in Aberdeenshire in striking the fiars prices. The second quality of oats with fodder for the seven years ending with 1893, was 23*s.* 9*d.* The second quality of oats without fodder was 17*s.* 1*d.* for the seven years ending with 1886, and for the seven years ending with 1893 it was 15*s.* 1*d.* The first quality of barley with fodder for the seven years ending with 1886 was 34*s.* 1*d.*, and for the seven years ending with 1893 it was 31*s.* 4*d.*

30,433. In all these cases apparently there has been a reduction of about 10 per cent.?—Yes.

30,434. Of course the smaller tenants feed themselves and they grow their own food, and therefore have not felt in that respect the depreciation of prices?—It would appear so; they have not the outgoings in the shape of wages for labour which obtain in the cases of the larger farms where the farmer has to put his hand into his pocket and pay gold for his labour. Gold has appreciated in value very much.

30,435. (*Mr. Channing.*) May we have the rest of the figures on your table?—Yes; the second quality of barley with fodder for the seven years ending 1886 was 31*s.* 4*d.*, and for the seven years ending 1893 it was 28*s.* 9*d.*; the second quality of barley without fodder for the seven years ending 1886 was 23*s.* 1*d.*, and for the seven years ending 1893 it was 21*s.* 5*d.*; the first quality of bere with fodder (they grow bere in Aberdeenshire to a considerable extent) for the seven years ending 1886 was 32*s.* 2*d.*, and for the seven years ending 1893 it was 28*s.* 8*d.*; the first quality of bere without fodder for the seven years ending 1886 was 23*s.* 11*d.*, and for the seven years ending 1893 it was 21*s.* 5*d.*; the second quality of bere with fodder for the seven years ending 1886 was 29*s.* 6*d.*, and for the seven years ending 1893 it was 26*s.* 3*d.*; the second quality of bere without fodder for the seven years ending 1886 was 21*s.* 3*d.*, and for the seven years ending 1893 it was 19*s.*; beans for the seven years ending 1886 were 28*s.*, and for the seven years ending 1893, 25*s.* 7*d.*; pease—pease and beans are grown to a small extent only—for the seven years ending 1886 were 30*s.*, and for the seven years ending 1893, 31*s.* 10*d.* That is the only produce that has risen in price. Oatmeal for the seven years ending 1886 was 14*s.* 9*d.*, and for the seven years ending 1893 it was 14*s.* 1*d.*

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30,436. (*Chairman.*) In all these cases it seems that the reduction of price would be about 10 per cent.?—It would appear so.

Position of tenants.

30,437. As I pointed out just now the tenants have had to pay the same rate of wages, and they have paid the same rent within a trifling amount?—With the exception of the abatements that they received.

30,438. And they have been able, I presume, to make the two ends meet?—Apparently so.

30,439. At all events there are a good many people ready to come in and take their places?—Yes, I think that probably arises to a considerable extent from the well-known liberality and kindness of Lord Aberdeen to his tenantry.

30,440. We may presume that the land has been fairly rented, or rather under-rented than otherwise?—Yes.

30,441. The result is that there has been no real pressure upon the tenants?—That is so. I may mention that Lord Aberdeen is exceedingly kind to his tenantry.

30,442. It does not seem to me under those circumstances that you have very much to complain of in your district in regard to agriculture?—Everything at the present moment is going on very comfortably between the proprietor and the tenants.

30,443. Then you do not come here to complain of agricultural depression?—I have no experience of it so far as the rental is concerned. The tenantry may feel it and would probably be able to speak about it, but so far as my experience as an agent goes, with regard to the rental of the estates, I have no experience of it.

30,444. I presume the best test of whether a tenant is doing well is whether there are plenty of applications on the part of other persons to take his place?—That is so.

Tenants' associations.

30,445. (*Lord Rendel.*) Is there any association amongst the tenants as tenants?—They have several local agricultural associations with regard to cattle shows. I may mention that there are some very fine herds of cattle on Lord Aberdeen's estates. There are one or two well-known breeders there, including Mr. Duthie, Collynie, who breeds shorthorn cattle, and has, I believe, one of the best herds of shorthorns in the kingdom. There is also Mr. Mar, Uppermill, who breeds shorthorns largely, and there are likewise several breeders of Aberdeen Angus cattle.

30,446. In so far as the tenants associate for those objects, do they unite with them in objects with reference to the general condition of agriculture?—I have had no experience of any movement of that nature since I went to Haddo House. I went there five years ago.

30,447. There is certainly no combination in reference to the question of rent?—There has been no such combination since I became Lord Aberdeen's agent.

Rents.

30,448. I did not quite gather, from your detailed account of the rents, whether the smaller holdings were rented differently per acre from the larger ones?—I have an abstract here which may probably be interesting to you. In the case of holdings of from 1 to 5 acres, I find there are 62 of them, giving a total of 230 acres—the rental is 340*l.*, or 29*s.* 6*d.* per acre: in the case of holdings of from 5 to 10 acres, there are 180 upon the Haddo House estates, their acreage being 1,355, and the rental 1,252*l.*, or 18*s.* 5*d.* per acre; in the case of holdings of from 10 to 20 acres, there are

143 of them, with a total of 1,991 acres, the rental being 1,648*l.*, or 16*s.* 7*d.* per acre; in the case of holdings of from 20 to 50 acres, there are 168 of them, with a total of 5,264 acres, the rental being 4,151*l.*, or 15*s.* 11*d.* per acre; in the case of holdings of from 50 to 100 acres, there are 119 of them, with a total of 8,607 acres, the rental being 5,271*l.*, or 12*s.* 3*d.* per acre; in the case of holdings from 100 to 300 acres there are 111 of them, with a total of 19,010 acres, the rental being 17,257*l.* or 18*s.* 1*d.* per acre; in the case of holdings from 300 to 500 acres, there are 17 of them, with a total of 6,229 acres, the rental being 6,577*l.*, or 21*s.* 1*d.* per acre. There are two farms larger than 500 acres; their acreage is 1,018 acres, their rental 934*l.*, or 18*s.* 4*d.* per acre. Altogether, there are 802 holdings, extendig to 43,704 acres, the rental being 37,430*l.*, or 17*s.* 1*d.* per acre.

Particulars of houses and buildings.

30,449. I think you gave us, with some detail and great clearness, the cost of the houses and buildings required for these different holdings, and you brought out the fact that in the smaller holdings the capital involved in the buildings amounted to about 40 years' rent?—Yes.

30,450. Whereas in the largest holding that cost was reduced to something like five years' rent?—Yes. The cost is reduced to about five years' rent.

30,451. Apparently the variations in the ratio of rent per acre follow in many of the smaller holdings about the ratio of the capital value of the buildings compared with the land. Is that so?—Apparently so. I was somewhat surprised when I found that the five-acre holdings gave a rental of 29*s.* 6*d.* per acre. That can only be accounted for by the capital value of the buildings. You cannot, of course, let a five-acre holding without giving the tenant buildings; you must put up a house for him, which costs something like 130*l.*; then you must put up a byre, a barn, and so on, which would cost another 50*l.* probably, and bring it up to 180*l.* Wherever a tenant would go he would have to pay about 2*l.* or 3*l.* for a house, and you must credit the buildings with about 3*l.* of rent. So that if you take this 2*l.* or 3*l.* off the rent, then find what the rent of the land is, you would find that it would probably be about 17*s.* an acre, so that, practically speaking, that higher rental for the five-acre land is caused by what you say.

30,452. Are these smaller holdings under lease?—Yes, they are.

30,453. Even the small ones?—Yes, I may mention that I have instructions from Lord Aberdeen upon no account to reduce the number of small holdings upon the Haddo House estates, but rather to increase their number.

30,454. Does the cost of repairs upon buildings fall upon the lessees?—The cost of repairs upon the buildings falls partly upon the proprietor and partly upon the tenant in this way: in the case of buildings requiring repair the proprietor supplies the wood and the slates free, and the tenant repairs the building and puts on the slates. That is, generally speaking, what is done with regard to repairs. In the case of internal fittings the proprietor gives the wood free, and the tenant does the repairs. In the case of a new byre, for instance, sometimes the tenants would come to me and say that if the proprietor would give them wood and slates free they would put up the walls. It used to be the custom long ago on the Haddo House estates for the proprietor to supply the wood and slates free, and the tenant to erect the building.

30,455. Then the net profit on the smaller holdings is to the landlord subject to a larger deduction in regard to repairs than is the net profit on the larger ones?—It would naturally be so because the buildings of a larger farm are not so extensive in comparison with the acreage as those on a smaller farm.

30,456. And that is a set-off in reference to the rent?—I should imagine it would be.

Labourers' cottages.

30,457. In the larger holdings I think you told the Commission that an offer had been made to the tenants to erect cottages of a settled character at three per cent. upon their cost?—The offer that Lord Aberdeen made was that he should supply these houses for a rent of 3*l.* a year to the tenant; it would cost the proprietor much more than 3*l.* for such cottage in the shape of interest on the expenditure. I have taken the liberty of bringing here a plan of these cottages in order to lay it before the Commission. Lord Aberdeen requested me some time ago to go very carefully into the subject of cottage accommodation and to lay before him a series of plans, as well as, if possible, a model plan prepared to meet the requirements of the present day. This is the plan which Lord Aberdeen finally approved of (*producing plan of cottages*). The cost of each of these cottages is about 140*l.*

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30,458. So far as my question was concerned, my object was to ascertain whether if the desire of the labourers who are at present accommodated in bothies to obtain cottages was satisfied that would form, in your opinion, any considerable extra capital outlay in reference to the large farms:—Yes, it would, because the larger farms require more cottages; for instance, a 500-acre farm would take eight cottages or nine cottages.

30,459. If that want were satisfied, and satisfied by the landlord, larger farms would be saddled with the extra capital in building and with the extra expenditure in repairs which now applies in so much higher a degree to the smaller farms?—Yes.

30,460. That would be so?—Yes, but not to the same degree.

30,461. But it would?—It would to a certain extent be so.

30,462. To a substantial extent?—To a substantial extent it would.

30,463. On the other hand, the smaller farms have the advantage at present that the occupants get the benefit of reduced prices and have less need to spend money?—Yes.

30,464. And the larger tenants have the disadvantage of having to find more money in order to conduct farming operations?—Yes.

Existence of depression.

30,465. (*Mr. Everett.*) I gather from your evidence that depression does not exist to any very serious extent upon the part of Aberdeenshire that you have to do with?—Judging from my experience with the rental of the estate and from the demand that I have for holdings it would appear not. I mentioned a few minutes ago that I have a hundred applications for holdings on Lord Aberdeen's estates from people in the neighbourhood. If depression existed to a considerable extent at the present moment there would not, apparently, be the same demand for holdings at an increased rent up to 100 acres.

30,466. Have you had to do with these estates long?—For five years.

30,467. You had not to do with them in what we call the good times?—No.

30,468. And you are not able personally to contrast between now and then?—Not personally.

30,469. I gather also from your evidence that such measure of depression as there is arises from the fall of prices?—I have no experience of what is called agricultural depression. I can only judge from my experience as agent in the collection of the rents. I have no doubt probably if the tenantry were spoken to some of them might take a different view.

Fall of prices.

30,470. (*Mr. Channing.*) I believe you have had a considerable experience of agriculture in different parts of Scotland?—Yes, I was an estate agent in Berwickshire for 20 years, when I had much experience of what is called agricultural depression. I let some farms at a fall of 65 per cent. in Berwickshire before I came to Aberdeenshire: the average fall was about 25 per cent. on the farms in Berwickshire which I was letting, when I became agent for Lord Aberdeen about five years ago. The produce is, however, somewhat different there.

30,471. (*Mr. Everett.*) Has there been the same fall in the prices of agricultural produce in Aberdeenshire?—It would appear so. I took the fiars prices for the seven years ending with 1886 and the seven years ending with 1893—I thought that was the best way to get at the actual figures—and have given to you the results.

The currency.

30,472. I gather that your opinion is that that fall is connected with the appreciation of gold?—My opinion is that what is called agricultural depression is owing to the appreciation of the value of gold.

30,473. Has that appreciation come about mainly by natural or by legislative means?—My opinion is that it has come about by natural means—by the want of the gold. From 1851 to 1871 I believe there was a very

large quantity of gold produced and introduced into the currency; from 1871 to 1891 there was a very great falling off in the production of gold, and a much smaller quantity was introduced into the currency. Then coincident with that there was a large increase of agricultural products, and the population increased. Taking these things together, one must allow that the prices of produce would be likely to fall. My reason for thinking that the cause of agricultural depression is the appreciation of gold is because what we call agricultural depression has obtained all over the world; it does not obtain in Scotland, England, and Ireland only, but in Europe and Australia and the United States of America and Canada—everywhere in fact. Now, to find out the cause of agricultural depression we must look for some universal cause—some cause that affects the whole world, and the only cause that I can see that would have that effect would be the appreciation of gold. I have held that opinion for a long time.

Labourers' cottages.

30,474. (*Mr. Channing.*) About these cottages—the cost of each cottage, I understand, was 140*l.*?—The new cottages were about 140*l.*

30,475. So that the return, the interest in the form of rent, would be slightly less than two per cent.?—About that. The proprietor gets a rent of 3*l.* per annum for these cottages which cost 140*l.*, but he pays a high rate for the money which is expended on improvements under the Board of Agriculture.

30,476. In estimating what the probable repairs to these cottages will be, say in the next 30 or 40 years, do you think there will be much interest on the outlay?—Not much. My own opinion is that the indirect benefit of the cottages would be great. It is reasonable and proper that the farm servants should have suitable houses in order that they may get married and settled; at the present time they move about from place to place, and are not very comfortable as regards house accommodation.

30,477. You think it would be desirable socially?—Yes, highly desirable.

30,478. I should like to know whether, in reference to the houses and buildings on the holdings of various sizes, the amount spent is merely the amount expended by the landlord and whether there would have to be added to it an estimate for the labour of the tenant contributed thereto?—There would. The figures I have given do not include the carriages, and you would have to add to them probably from 10 to 15 per cent. to cover carriages. The tenants on the Haddo House estates drive the carriages and also dig out the foundations, but the proprietor does all the other work. In many cases the tenant finds stone, which can generally be easily got on every part of the estates.

Tiends.

30,479. I do not know whether this question is of any importance but I notice considerable variation in the amount of the tithe rent charge or teinds paid by the owner?—That would arise from the variation of what is called the fiars prices. What we call the teinds in Aberdeenshire are calculated upon the prices which I have been detailing to you and as these prices vary considerably from year to year the teinds vary accordingly.

30,480. I thought they were uniform?—No. The reason why the clergymen of the Church of Scotland are affected by agricultural depression is because a fall in the price of grain lowers their stipends.

Rates.

30,481. Then I see there is a very considerable drop in the rates payable by the owner from 1887, when they were 3,347*l.*, to 1892, when they were 2,379*l.*?—That may be explained in this way:—Until Whitsunday, 1890, the proprietor paid the whole of the road rates, &c. direct to the collector, and the tenants repaid one-half of these rates to the proprietor along with their rents. The tenants began in 1891 to pay their proportion of these rates direct to the collector, and have continued to do so since then.

30,482. Is there any allowance in the rent to the tenants, or does that come upon them in the form of addition to the rent?—The tenants have always paid their proportion of the road rates, &c., and the payment of this direct to the collector has not made any alteration in their rents.

Rise in rents.

30,483. You said that the advances of rent have been going on for a year or two; could you state in which year or about what time the rents began to rise again?—I think probably from the end of last year and this year up to now, say, during the last half of last year and the first half of this year.

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30,484. Last year Scotland was in rather a better position than England as regards crops, was it not?—Last year, I believe, we were in a better position, because we did not suffer, as you did in England, from the protracted drought.

The letting of rents.

30,485. You stated that when a farm falls in you give notice to some of the applicants on your list and that they usually offered an increase of rent of from 10 to 15 per cent., I believe?—That is when a farm is given up and the tenant does not want to take it again. I may mention that I have let about 300 farms within the last four or five years. In the case of a farm coming out of lease the estates' valuator walks over the farm and puts a reasonable valuation upon it; this valuation is laid before the tenant for his consideration, and it is also laid before the landlord for his consideration, and I may say that very few of these 300 tenants have left their farms.

30,486. The point I want to clear up is this, that where the sitting tenant—the old tenant—is willing to continue at what you consider to be a fair valuation of the farm, you do not give notice to those others?—No; it is only when the farms are given up. I would not consider it to be fair to the four or five men who had made an application for a holding if I were to select one of them, without giving the others an opportunity of offering for the holding. I prefer to give the whole of them an opportunity of offering for it. Supposing that there are five applicants, each having 1,000*l.*, and these five are all equally suitable, their characters all good, and that they are all well recommended men, I give them all an opportunity of offering. In the case of a farm of 100 acres which the sitting tenant has given up, I let each of the men who have privately applied to me for a holding of that size know that such holding is vacant, and I invite each of them to give me an offer for the holding and to state in his offer what rent he would be willing to give for it, and what improvements he would want. When their offers come in, I lay them before the Earl of Aberdeen for his consideration, and he selects the applicant whom he prefers. We do not always take the highest offer, we take the man who is the most suitable for the holding, and who has the most capital and the best reputation as a practical farmer.

30,487. The point I wanted to clear up was that there was not, even indirectly, a competition with the old tenant—that you do not consider that fair, if he was a reasonably good tenant, and would take it at a fair valuation?—Generally speaking, the land is always let to the old tenants. Of course, I sometimes have a difficulty in getting the old tenant to see the necessity of giving a fair rent for the land, but, as a rule, we get everything satisfactorily arranged.

Re-valuation of farms.

30,488. How is the valuation made? Is it based on what would be offered for the farm, or is it based on a calculation of the productive power of the farm and the fiars prices?—It is based on a number of data, including the quality and fertility of the soil, the state and suitability of the buildings, and the relative situation of the farm to railways, while the demand for land in the neighbourhood is also kept in view.

30,489. It is a real valuation then and not merely the market price?—It is a real valuation. When the estates' valuator goes over a farm to value it the tenant accompanies him with a spade, and the valuator examines the quality of the soil and sub-soil of every field. He also looks carefully over the buildings, and hears all the tenant has to say about his requirements. He then sends to me his report on and valuation of the farm, which I lay before Lord Aberdeen.

Importation of foreign cattle.

30,490. Now we have had a great deal of evidence with regard to the importation of store cattle; I will not ask you to give evidence upon this point in any detail, but what is your opinion on that subject?—I am of opinion that every reasonable precaution should be taken to prevent the introduction of disease from foreign countries amongst cattle.

30,491. Do you think that the average farmer in Scotland who wants to fatten stock, can get sufficient store cattle without importation?—I would not like to give an opinion on that point.

30,492. Have you any knowledge of the state of Aberdeenshire some years ago, and of the attitude of the farmers then; can you give any evidence as to the

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action taken by the farmers in the eighties to obtain a change in the terms of their leases?—I had no experience with regard to Aberdeenshire previous to the time that I went there.

30,493. You could not give any evidence on that point then?—No, not at a date before I went to Aberdeenshire.

Competition for farms.

30,494. I see that you expressed a very strong opinion before the Richmond Commission, that excessive competition had raised rents in some parts of the country far above the real agricultural value of the land, considering the fall of prices and the bad seasons; I should like to ask you, having regard to your general knowledge of Scotland, this one question—whether you think, in some parts of Scotland, not in the Haddo estate, this competition in the last few years has resulted in making the tenants pay rent out of capital?—So far as I have been able to judge the demand for farms in the south of Scotland is only a very recent growth. My experience of the south of Scotland was such that it was almost impossible to get a farm let at anything like the old rent before I came away, and I had a very long experience, I think, 20 years' experience as an agent in Berwickshire for five or six estates there. I had the greatest difficulty in letting; probably the fall would be about 25 per cent.; I have even let farms at 65 per cent. fall. At the commencement of my experience in Berwickshire, now 25 years ago, in the case of a farm of say 150 acres we would probably have 35 offers, and each offer higher than another.

Rents.

30,495. Do you think that farms in the south of Scotland, in the parts that you know have been over rented, and that that has contributed to the loss of the tenants' capital?—Over-renting is a comparative term. It depends upon the price the tenant gets for his produce. The rent is only what remains over after all legitimate expenses are paid. The farms which were let in Berwickshire from 1867 to 1872 or 1873, I cannot look upon as being over-rented until 1880, when prices fell; then, of course, they became what is called over-rented.

Terms of leases.

30,496. Can you tell us whether there has been any alteration in the terms of the leases to the advantage of the tenants of the Haddo estate?—Yes. We have had, lately, a modified lease prepared, giving the tenants, as far as we can, full advantages in arranging for the repayment of unexhausted improvements. The clause that we have adopted is as follows: "And it is "hereby declared that in the event of the tenant wishing "to apply to the holding during this lease any dissolved "or undissolved bones or lime, or purchased artificial or "other purchased manures, or to consume on the land "by cattle, sheep, or pigs any feeding stuffs not produced "on the holding, for which he intends to claim compensation from the proprietor, at his away-going he "shall give timeous notice to the proprietor or his factor "of the purchase of said manures and feeding stuffs, and "also of the date or dates when, and the fields and crops "to which the said manures are to be applied in order "that the proprietor or his factor may satisfy himself "that the said manures and feeding stuffs are actually "applied and used; and if the said manures and feeding "stuffs are of a value equivalent to the price paid for "them, and are applied and used to the satisfaction of "the proprietor or his factor, the proprietor hereby "agrees to pay compensation for the same to the tenant "according to schedule annexed and signed by the parties "as relative hereto." Then the schedule is as follows: "Schedule referred to in the foregoing lease: Scale "upon which it is agreed compensation will be paid "under the foregoing lease for unexhausted manures "and feeding stuffs. (1) Lime applied to the holding "to be held to last for ten years, and the price to "be paid as at the nearest railway station." I may mention that in Aberdeenshire the farmers apply a very small quantity of lime compared with the south of Scotland, probably not more than one ton per acre; in the south of Scotland from five to six or even up to eight tons per acre are applied—"five tons per "acre to be the heaviest dressing applied and for "which compensation will be paid. The rate of "exhaustion to be held to be one-tenth for each year "after lime is applied. (2) Undissolved bones to be "held to last for four years, and the rate of exhaustion "to be held to be for the first year after they are "applied four-tenths; for the second year three-tenths; "for the third year two-tenths; and for the fourth "year one-tenth. Six hundred-weight per acre to be "the heaviest dressing for which compensation will "be paid. (3) Dissolved bones, bone phosphates and "guano to be held to last for two years, and the rate "of exhaustion to be held to be, for the first year after "they are applied, three-fourths; and for the second "year one-fourth. Four hundred-weight per acre to "be the heaviest dressing for which compensation will "be paid. (4) Nitrate of soda and sulphate of ammonia "to be held to exhaust themselves in the first year of "their application—no compensation being payable "for them. (5) Feeding stuffs. The manurial value "of feeding stuffs, whether eaten on the ground or at "the steading, to be held to be one-third of the prime "cost of the same, and to be held to last for two years. "Two-thirds of the manurial value to be held to be "exhausted with the first crop taken from the land "after the feeding stuffs have been eaten thereon, and "the remaining one-third to be held to be exhausted "with the second crop taken from the said land. No "compensation to be allowed for unexhausted manurial "value of feeding stuffs after two crops have been "taken from the land on which they may have been "eaten [ ], to be held to be the largest sum "expended upon feeding stuffs in any one year for "which compensation will be paid."

30,497. Do these new leases, or the leases now in force, give the tenant the option of giving notice of breaking the lease at any period of the 19 years, and further do they give freedom of cultivation, or of selling the produce?—In many cases the tenantry are now arranging for five years' breaks, and Lord Aberdeen is quite willing to give them; but in most cases they want a full 19 years' lease. With regard to the clauses you have mentioned there is a cropping clause in the lease which I think is very beneficial.

30,498. Can you give us the substance of it?—The land is generally cropped upon the five, six, or seven course rotation. I dare say if the tenants were allowed to crop as they like they would not alter the cropping from these courses very much.

30,499. Do you allow them to sell hay and straw?—To a certain extent we do. There is in each lease a clause allowing them to sell hay and potatoes. It runs: "And further the tenant binds and obliges himself to consume the whole fodder and turnips upon "the said holding, and to lay out upon it the whole "manure made therefrom yearly, and not to sell or "carry off any manure or article capable of producing "manure excepting only potatoes and hay and of these "not exceeding [ ] acres of hay, and [ ] "acres of potatoes in any one year." Arrangements are made with the tenant on a liberal scale if he wants permission to sell hay and potatoes. The tenantry, according to my experience, generally prefer to have all the produce consumed upon the land. Their great difficulty is to get a sufficient quantity of straw.

Expenditure on improvements.

30,500. (*Mr. Dalton.*) In this table I see you have included new buildings under repairs and insurance. Can you say what proportion of capital expenditure on new buildings is allotted to repairs and insurance?—I am afraid I could not do so without referring to the factory books.

30,501. It varies very much in different years, does it not?—It varies very much; roughly speaking, these are for new buildings.

30,502. Very largely?—Yes, very largely for new buildings.

30,503. Is that expenditure likely to increase or diminish in future years?—I think that it will be likely to go on for a number of years. The demand for buildings upon the Haddo House estates is very great. Lord Aberdeen does what he possibly can, but the expenditure has been very heavy. You will see that during last year it was about 10,000*l.*, and the previous year 11,000*l.*; this year it will be about 8,000*l.*

Particulars of estates.

30,504. (*Mr. Chaplin.*) What is about the acreage of Haddo Estate?—53,000 acres, of which 43,000 are arable.

30,505. What is the average rent for the arable land per acre now?—17*s.* 1*d.*

Existence of depression.

30,506. How do you account for the fact of there being practically no depression at all in that part of Aberdeenshire as contrasted with the very severe depression in Berwickshire of which you spoke?—Probably it may arise from the comparatively greater fall in the value of agricultural produce in Berwickshire. In Aberdeenshire no wheat is cultivated, while in Berwickshire 3,764 acres were under wheat in 1892.

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Mutton and wool, which are relatively produced in Berwickshire to a much greater extent than in Aberdeenshire, have like wheat fallen greatly in price. It is also probable that the land in Berwickshire before 1880 was relatively more highly rented than the land in Aberdeenshire. It must also be kept in view that in Aberdeenshire there is a very large number of small tenants who do not pay gold for labour; they conduct the farming operations themselves with the help of their families, and they do not have the outgo of gold which the Berwickshire farmer has. In Berwickshire all the farms are worked by paid farm labourers, and the farms are generally all large, some of them extending to 1,200 acres arable. The average size of a farm in Berwickshire may be about 190 acres, while in Aberdeenshire the average size is 47 acres.

30,507. I believe I am right in saying that there may have been some of the same causes of depression in Aberdeenshire, but they have not been felt so much because of the small character of the holdings?—Yes. I may, however, mention that the Haddo House estates have always been, so far as I know, very moderately rented; consequently, when prices fell as they did about 14 years ago, the tenantry did not apparently feel it so much as the tenantry in the south of Scotland who were relatively more highly rented, the farms there being advertised and let by competitive offers being taken for them.

30,508. For the last 20 years there appears to have been a small change in the rental?—A very small change.

Fall of prices.

30,509. Where there is depression, or has been depression, in your experience, I understand, you attribute it to the general cause of the fall of prices?—Yes.

The currency.

30,510. That fall being due to the appreciation of gold?—Yes.

30,511. I did not hear your examination in chief, and therefore if you have already answered the questions do not repeat them; have you suggested any remedies for agricultural depression?—No.

30,512. Have you any remedies to suggest?—The only remedy which has occurred to me would be an increase of the quantity of gold in circulation—the introduction of more gold.

Small holdings.

30,513. (*Mr. Little.*) The figures which you have given us seem to shew that so far as the landlord is concerned the larger holdings are much more profitable?—Yes, apparently so, from a financial point of view.

30,514. I find, from the figures which you have given us, that the tenants of from one to five acres pay on an average 5*l.* 10*s.* a year, and you estimate the cost of buildings necessary for such a holding at 180*l.*?—Yes.

30,515. That at 5 per cent. would be 9*l.*?—Yes.

Rent.

30,516. The rent being from 5*l.* to 10*l.* on the average?—Yes.

30,517. So that on all the smaller holdings interest at 5 per cent. on the sum, which you have named as necessary to equip those farms, would be greater than the actual rent?—It would.

30,518. Therefore the land would be given in, but when you get to the larger farms that is not the case?—No.

30,519. If you take the farms from 100 to 300 acres, I find the average rent is 155*l.* Five per cent. upon the value of the buildings is 78*l.*, which is only about half the rental; whereas in the smaller holdings in every case the interest on the value of the buildings is greater than the actual rent?—Yes, that is the difficulty that obtains with regard to the increasing of the number of the smaller holdings. The difficulty about it is the supply of buildings for these small holdings. With regard to general improvements, I think it would be highly desirable if landed proprietors could have money at a cheaper rate of interest than they have it at the present moment.

State loans.

30,520. Would you approve of the suggestion which has been made that the Government should advance money to landowners to build cottages?—I would approve of money being got in that way, and the repayment of principal along with the interest being extended over a greater number of years than it is at present. I may mention that I am an Inspector under the Board of Agriculture. I have not done much work in Aberdeenshire since I went there, but I did a considerable amount of work in Berwickshire. At the present moment the rent-charge is over 25 or 31 years—about 25 is the general rule; and this involves a very considerable payment yearly to meet interest and repayment of capital. A farm-house, for instance, does not fall down in 25 years: indeed my own experience is that at the end of 25 years a well built house is about as good as it was when newly erected. If proprietors could have the repayment of the capital as well as the payment of the interest spread over a longer period than 25 years it would enable them as well as tenants to get the money at a lesser rate of interest—proprietors in the first place and tenants in the second place—for tenants as a rule pay some of the interest upon the expenditure on buildings. I think that would enable the proprietor to give the tenants new buildings at a less rate of interest than they can just now. They pay about five per cent., just now, for interest.

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30,521. Is it not six?—I understand that they have to pay 6*l.* 14*s.* per cent. and the tenants have to pay 5 per cent. If the proprietor could have money at 3 or 3½ per cent., with payments spread over, say, 40 or 50 years, it would, in my opinion, be very advantageous to estates.

30,522. If the Government could lend the money to the owners for a period of 50 years at something like 4½ per cent. including repayment of capital it would be a great benefit to the country?—I think it would at 4½ per cent. of rent-charge.

30,523. And if they lend the money to the Irish local authorities on those terms, probably they would be able to lend on the same terms to others?—Yes, I think it would be a great benefit to them.

Rents.

30,524. (*Mr. Clay.*) I gather from your evidence that the Haddo estates' tenants have never been highly rented, in a sense?—Not so far as I know; the estate has always been what is called moderately rented.

30,525. The present Lord Aberdeen, all along, and the Earls of Aberdeen before him have dealt very leniently and kindly towards the tenantry?—Yes.

Rack-rents.

30,526. In Berwickshire, which you know so well, rack-renting has been a very serious question, has it not?—I cannot blame the proprietors for taking the high rents. If I have a commodity to sell in the market I want to sell it at the highest price which it will bring. It was the same way with the proprietors in Berwickshire. In those years when there was a great great demand for land—from about 1866 until 1873 or 1874—there would be perhaps 20 applicants for a farm, and every applicant offering a higher rent than another for it; the proprietor would say to himself: "I do not "know the value of this farm; these men know the "value of the land and this man offers me 2*l.* for one acre "of it, I am not going to take 1*l.* for it; I will let agri-"cultural use of my land to that tenant for 2*l.* per acre." Then the difficulty occurred; no man foresaw in those days that there was going to be such a great fall in the prices of agricultural produce as obtained 10 years afterwards. The tenant who had taken his farm before the prices fell was bound by his lease to pay 2*l.* for each acre of land which he had taken. He came to the proprietor and said: "Unfortunately I find that I have "got to pay 2*l.* per acre for this land, and it does not "now yield me the profit that it did when I took it "from you 10 years ago; therefore I hope that you "will give me a reduction of rent;" and it lay with the proprietor to say whether he would give the reduction or not. If he would not give the reduction the tenant had to pay as long as he could do so.

30,527. You, as well as other people know, by experience, that the system of rack-renting has never yet been profitable to either landlord or tenant in the long run?—No doubt. I do not think that anyone was to blame for the high rents that were paid. It was just like the high price that obtained for wool during the American Civil War. When prices rise, everything else, or at all events the produce of land, rises in price, and when the produce rises in price the medium from which it is produced rises in value.

30,528. I am not saying who is to blame, but I am saying that the outcome now has proved this, that it is unwise to rack rent; that is all?—I would say that it would have been desirable, to have kept the rents at a moderate figure.

Expenditure on improvements.

30,529. (*Mr. Giffen.*) You show in the tabular statement, with reference to the Haddo estate, which is before us, that in addition to the expenditure upon agricultural improvements, Lord Aberdeen has spent

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about 75,000*l.* since 1872 on the general improvement of the estate?—Lord Aberdeen has spent, since 1872, 125,000*l.* upon agricultural improvements, and altogether about 200,000*l.* in the general improvement of his estates during that period, of which 100,000*l.* have been expended since 1883.

30,530. If it is not being too inquisitive, have you any objection to state what is the nature of the other improvements?—Planting, road-making, and improvements on the mansion house and policy grounds.

30,531. I only wish a general statement, to give us some idea of what the nature of the improvements is — whether they are fairly likely to have been expended in connection with the agricultural part of the estate or not?—The expenditure on planting was not included in the agricultural figure. Lord Aberdeen has been at a considerable expense in the formation of new plantations which are of great benefit to the estates for the land is very bare and very much exposed to the weather.

30,532. It is merely the most general idea I wish to have?—He has planted a good deal of wood since he became proprietor of the estates.

30,533. That is a permanent improvement of the estate, and not, strictly speaking, an agricultural improvement?—Yes, but we want more planting than we have now. It is very bare, and there is very little shelter on the estates. The greater part of the old plantations are about the policy ground, which extends to about 2,268 acres around Haddo House. It would be an advantage to the estates if they had more shelter from plantations.

30,534. What is the main explanation of the great fluctuations in that column for repairs, fences and insurances, which includes buildings and other improvements — column 8, for instance, in 1890 the expenditure is 1,824*l.*, and in the following year it is 6,717*l.*, and in 1892, 8,268*l.*?—That is accounted for in this way; there are, roundly speaking, 800 different farms on the estates, and these farms do not all fall out of lease in the same year or in any series of years; sometimes 100 farms come out in one year and sometimes only 26. I have had experience of as many as 175 farms coming out in two years. When the tenants of these farms have got their new leases they apply to have the improvements undertaken by the proprietor carried out at the beginning of their leases, and that varies the expenditure from year to year. In 1892 the proprietor spent 8,268*l.* upon new buildings and repairs, and in 1890 only 1,824*l.* as you mentioned, but in 1890 there were very few farms which came out of lease; there fell out of lease in 1892 and 1893, 175.

30,535. The result is that the variation in column 12, shewing the net income from the property after the payment of out-goings is to some extent accidental?—Yes, that is so.

30,536. To make a proper calculation we should have to allow for this conflicting element?—Yes.

30,537. There is not the same variation in the net income in reality?—No; it much depends upon how the farms fall out of lease. Only about 30 farms will fall out of lease yearly for some time to come.

30,538. Although the net income appears in the last year of all, 1892, at 25,000*l.* it would not be fair to take that year alone, but we should take an average of two or three years?—Yes.

Prices in Aberdeenshire.

30,539. You gave us the fiars' prices for Aberdeenshire. Can you give us any information as to the prices of other articles of agricultural produce not included in the fiars' prices?—I can. I brought some notes with me about beef.

30,540. Can you give us similar figures for beef to those that you gave us for these fiars' prices?—I have long advocated the advantage of what I would call meat fiars; that is to say, that we should have fiars of beef and fiars of mutton as well as fiars of grain, to let us know at what prices beef and mutton are sold in various parts of the country. That would be a great benefit, because we could at once see from the fall and rise how matters stood. The table which I have here, has been prepared not from my own experience but from some statistics which I consulted.

30,541. Does it give the figures for Aberdeenshire?—I am afraid not. The first part gives 20 years' prices of farm produce, ending with 1892, compiled from the agricultural returns issued by the Board of Agriculture. The second part gives the market prices of stock—the average wholesale prices of live stock per stone of 8 lbs at the Metropolitan Cattle Market.

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30,542. I wanted to get Aberdeen prices not prices of that official kind which we have access to ourselves?—I may mention that prices here rule the prices in Aberdeenshire. A great many cattle are sent to the London market.

30,543. Perhaps you will just state generally what you think the fall in beef has been?—I could not give an opinion.

30,544. Not without going into the prices?—No. I find from this schedule which I have prepared that in 1878, first class beef was selling at 6*s.* per stone of 8 lbs.

30,545. (*Chairman.*) Are these metropolitan prices?—Yes. In 1890 first class beef was selling at 4*s.* 10*d.*, so that there was a fall of 1*s.* 2*d.* on that quality of beef during that period. I regret that I cannot give you such figures for Aberdeenshire. So far as I can judge we have no easy way of getting at the actual selling price of beef in the county, and that is why I say it would be of great advantage to agriculture generally if we could have beef fiars and mutton fiars.

30,546. (*Mr. Giffen.*) My object is purely to get an explanation of why it is that Aberdeenshire suffers so little compared with other parts of the country?—I think I gave some explanation about that.

30,547. (*Chairman.*) Do they send their cattle up cheaper than they did?—No; I do not think that the railway rates have been decreased of late years. There was some talk about that some time ago, but I do not think the rates have been reduced. I think that I gave some explanation as to why in my opinion agriculture on the estates of the Earl of Aberdeen has not relatively suffered so much as it has done in the south of Scotland.

30,548. Still, if possible, I wish you to supplement it by some statement as to prices corresponding to those fiar prices which you gave, applying to the other products?—I tried very hard to get that before I came away, but had very little time to prepare the evidence. Of course, I did my best. Perhaps I could get it and supplement my evidence with it when I have more time. When I get home I could do that, probably.

30,549. I think perhaps that would be interesting, especially if you could give your Aberdeenshire figures?—With your permission I will do what I can to supply the Aberdeenshire prices.

(*Note by Mr. Muirhead.*) Since I returned to Aberdeenshire I have collated the whole of the weekly top prices of fat beef sold in the Aberdeen cattle auction marts from 1880 until 1893, from the columns of "The Daily Free Press" during that period, and find that the weekly average top prices for fat beef per cwt. of 112 lbs. were as follows:—1880, 78*s.* 9*d.*; 1881, 72*s.* 7*d.*; 1882, 81*s.* 4*d.*; 1883, 80*s.* 8*d.*; 1884, 78*s.* 2*d.*; 1885, 70*s.* 7*d.*: 1886, 65*s.* 7*d.*; 1887, 58*s.* 9*d.*; 1888, 65*s.* 6*d.*; 1889, 64*s.* 1*d.*; 1890, 64*s.* 2*d.*; 1891, 64*s.* 8*d.*; 1892, 64*s.*; 1893, 63*s.* 1*d.* The average top weekly price for seven years ending 1886 was 75*s.* 4½*d.*, and for the seven years ending 1893 it was 63*s.* 5½*d.* The average fall in the price for the seven years ending 1893, as compared with the seven years ending 1886, has been about 16 per cent.

The currency and the fall of prices.

30,550. With reference to your opinion that the fall of prices may be ascribed very much to the diminished production of gold since 1870 or thereabouts, compared with what it was in the 20 years before, are we to understand that you attach no importance to the improvement of the means of communication, the opening up of new countries, and the progress of invention, and causes of that kind, as bringing about a change of prices?—No; I think, that these may have had their effects also, but that the chief cause of what we call agricultural depression, is the appreciation of gold. I think the chief cause is that, and my reason for thinking so is because agricultural depression is universal, and has been universal; if it were confined to one country then I would look for the cause in that country, but it is all over the world, and we must look for a universal cause, like the price of gold.

30,551. But I suppose prices would not be at the present level if you had not had that improvement of communication and that opening up of new countries?—Probably, they would not have been so low as they have been; when a farmer has to pay me 100*l.* of rent, he takes into the market, say 120 quarters of oats, whereas 20

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years ago he would have required to take into the market only about 100 quarters to get the 100*l.* He cannot say to his land, "My rent is still going on, and I "require to take to market a much larger quantity "of oats to pay it than I had to do 20 years ago, and "you must therefore produce more oats per acre than "formerly." He cannot do that, the soil does not respond, therefore, he has now to take a larger quantity of oats into the market to get the money to pay his rent, and he exchanges the oats for gold, and pays his rent in gold, and he also requires to pay his labourers to a large extent with gold.

30,552. Suppose the process of opening up new countries and the increase of inventions and all the other causes which have been referred to of that kind had been arrested 20 years ago and there had been no further improvement from that point, would you have had a fall of prices at all?—I should say that if the importation of agricultural produce had been stopped, and if the population had increased at the rate at which it had done during the last 20 years, probably the prices would have been much higher than they are at present. I believe that foreign competition has had a considerable effect, but my opinion is that the appreciation of gold is the chief cause of the agricultural depression.

30,553. Are the two things, properly speaking, separable at all; can you distinguish between the one and the other, and ascribe so much to the one and so much to the other?—I should say it would be very difficult to do that.

Re-valuation of farms.

30,554. (*Mr. Whitehead.*) You told the Commission that in 1886 Lord Aberdeen offered a re-valuation of his farms to his tenants, and that that offer was accepted only by a proportion of them?—Yes.

30,555. Could you say what that proportion was composed of, whether small holders or large holders?—Three tenants holding under five acres, 11 holding 5 to 10 acres, 14 holding 10 to 20 acres, 32 holding 20 to 50 acres, 26 holding 50 to 100 acres, 33 holding 100 to 300 acres, and six holding 300 to 500 acres.

30,556. There was no difference in the applications?—No. I think, speaking generally, that farmers of all kinds applied for re-valuation.

30,557. Could you say why the other proportion did not accept the offer; was it that they were afraid their rents would be raised?—I think it was because they felt themselves in fairly comfortable circumstances, and that they did not need it.

30,558. They did not trouble themselves about it?—I think that they did not do so because they did not wish to have their rents altered. They have continued to pay the same rents as they did before 1886, and they do so now.

Small holders.

30,559. In your opinion, are the small holders as prosperous as the large ones?—I think so.

30,560. In the case of the very small ones, how do they supplement their income?—They work for their neighbours who have larger holdings, and do general work in their neighbourhood.

30,561. I think you said they have no special crops, and that they cultivate simply the ordinary crops?—Simply the ordinary crops; the small tenants generally cultivate oats, and turnips, and grass; they are very industrious.

30,562. A man cannot live on five acres, can he?—I should suppose that he cannot do so. Some of the tenants are very frugal in their living, and make it their aim to hoard as much money as will enable them to take a larger holding. A farm labourer will sometimes come to me and make an application for a holding, and I will find that he has 70*l.* or perhaps 100*l.* in the bank. The farm labourers in Aberdeenshire are generally very economical in their habits.

30,563. (*Sir Nigel Kingscote.*) Do you think, as a matter of fact, that a man can live and bring up his family—for I suppose they have families—on five acres of land?—No, I do not. I do not see how he could do so; the produce of such a small holding as that would not be sufficient to keep him and his family.

30,564. They must have some other outside employment?—Yes. A number of the tenants who have from five to twenty acres or so of land are shoemakers, tailors, joiners, and blacksmiths, and of other trades.

30,565. What amount of land do you think a man could live upon and cultivate?—I should think not less than about 30 or 50 acres.

30,566. What would be the rental of that?—About 17*s.* or 18*s.* an acre; it would be about 25*l.* or 45*l.*

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30,567. I think I understood you to say that you could build a single cottage of rather more modern style than has been built hitherto, for 140*l.*?—Yes, I have the plans of a cottage which has been erected at that cost.

Particulars of houses and buildings.

30,568. Does that 140*l.* include labour and everything?—Everything for one of a block of two cottages, except the cafriage of materials, which the farmer drives free of charge. The plan is for a two-storey block of two cottages, and gives to each a kitchen, scullery, pantry, and coalhouse on the ground floor, and three bedrooms up stairs. It provides 7,000 cubic feet of air space for each of the two cottages at a cost of $4\frac{5}{12}d.$ per cubic foot of air space; whereas an ordinary Aberdeenshire farm servant's cottage of one storey, and with all the apartments on the ground floor, affords only a kitchen, two bedrooms, scullery, and pantry, with an air space of 5,573 cubic feet at a cost of $4\frac{11}{12}d.$ per cubic foot of air space.

30,569. (*Mr. Whitehead.*) Are there two or three bedrooms?—Four rooms.

30,570. (*Sir Nigel Kingscote.*) You say 140*l.* for a single house, but you build them in blocks of two?—Yes.

30,571. (*Mr. Channing.*) It is 280*l.* for the two?—Yes.

30,572. (*Sir Nigel Kingscote.*) That makes a difference. I suppose you have got the very best material at the door?—Yes; the best material.

30,573. I mean the stone?—The best of stone; it is granite.

30,574. You have it at the door?—Quite near.

30,575. Is the tenants' labour thrown into that; does he do the hauling?—The tenant drives what we call the carriages, and also digs out the foundations free of expense to the proprietor.

30,576. I suppose you do not charge anything for fences?—There is nothing charged for fences. The price of the fencing of the two is 11*l.*, but I did not include the fencing.

30,577. Are outhouses included in the 140*l.*?—No. A privy, and an ashpit, and a small hen-house for poultry have been erected with home grown timber for each cottage. It is desirable to give the farm labourers a facility for keeping some poultry, if possible.

30,578. (*Viscount Cobham.*) It would come to 20*l.*, more would it not?—Yes, each cottage in the double block cost about 20*l.* more than a single Aberdeenshire farm servant's cottage, and for that 20*l.* the proprietor can give one room additional. The usual Aberdeenshire cottage has only three rooms; with the new plan four rooms are provided for only 20*l.* more.

30,579. You abolish the sleeping on the ground floor; you do not have it in these cottages?—Not in these cottages. The occupants can, however, put a bed into the kitchen in winter if they wish to do so.

Labourers' cottages.

30,580. (*Mr. Gilmour.*) Might I ask if your farm labourers prefer two stories instead of one storey?—Probably some of them would prefer to have the old Aberdeenshire cottage with all the rooms on the ground floor, but the families who have been occupying the new cottages are very highly pleased with them. I may mention that Mr. Clay has seen them; he has been in the cottages, and has questioned the occupants, and they have said that they were very much pleased with the accommodation.

30,581. Is it your experience that they keep fires going in those upstairs rooms in the winter?—I do not think they keep them always fired. Lord Aberdeen gives explicit instructions that all the bedrooms in the cottages are to have fireplaces. Many of the cottagers in Aberdeenshire get peat at a cheap rate, and they burn it in their fire-places.

30,582. I can only say that in other parts of Scotland there are very great difficulties, if you give them rooms upstairs, in making a man or a woman put a fire there, or to put their children up there. They will have it with a room off for their children downstairs; they keep the downstairs rooms in much better order, and use the upstairs places for stores probably, and not as bedrooms at all?—That is so. I have, however, been very much pleased with the way in which many of the tenants on Lord Aberdeen's estates keep the upper rooms. They

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have, generally speaking, well kept bedrooms, fitted with a nice arrangement of furniture.

30,583. Ever since you went there what state have those people kept those up stairs rooms in?—Since I went there a number of the tenantry have got rooms upstairs, and they keep them very nicely, wherever the houses are new and facilities are given for their doing so, but in the old houses they are sometimes not well kept.

30,584. I am speaking purely of farm labourers' houses?—I have not had much experience as yet of farm servants' houses in Aberdeenshire, for the farm servants there generally live in bothies.

Particulars of houses and buildings.

30,585. (*Viscount Cobham.*) As to the prices, I do not think you quite understood my question with regard to the extra 20*l.*; I meant that it would cost 20*l.*, in addition to what you have on the paper there, to provide fences and outhouses, would it not?—With regard to the cost of the fences—there was a wall built for 11*l.*, and then the expense of putting up the outhouses would be probably about 3*l.* or 4*l.*, the proprietor puts up the outhouses with wood. The outhouses which were erected consist of a privy and an ashpit, and a small poultry-house for each tenant; Lord Aberdeen is anxious to encourage the people to keep poultry, and the tenants are generally pleased to allow their farm labourers to keep some poultry, which is a great advantage, for the labourers get some eggs in this way for the use of themselves and their families.

30,586. Your pair of cottages comes to more than 300*l.* with all appurtenances?—No, what I have stated was the actual cost of them. The mason work cost 114*l.*; carpenter work, 97*l.* 10*s.*; slater work, 30*l.*, and plasterer's work, 38*l.*; in all 279*l.* 10*s.* The cost of the fencing was 11*l.*, and of the wooden outhouses about 5*l.*

The letting of large farms.

30,587. (*Chairman.*) I think you told us you have not had any experience of letting any of the larger farms to fresh tenants during the last few years?—Lately there was a case of letting a large farm to a new tenant. A tenant who occupied a 300 acre farm on the estates unfortunately became bankrupt and could not carry on the farm. Another tenant on the estates, who occupied a smaller farm, applied for a lease of the 300 acre farm, and offered to take it at a rent to be fixed by the estates' valuator.

30,588. That is to say, at the old rent?—Not at the old rent, but at the rent that the valuator would consider the farm is worth. To show you what Lord Aberdeen does in these matters, he arranged that the tenant who went out of the large farm should have a small farm on the estates, and he has now got a holding of about 50 acres on the property.

30,589. We do not want to hear about him, but with regard to this larger farm, was it let at an advance of rent?—No, the estates valuator's valuation is about 9 per cent. under the old rent.

30,590. With that exception you have not had any instance of letting a larger farm?—Not recently.

30,591. With that exception you have had no experience of re-letting the larger farms to fresh tenants?—Not recently.

30,592. You have re-let them to the old tenants?—I have had, in five years, about 300 lettings, and nearly all the old tenants.

30,593. Do those include a certain number of large farms?—They do, some up to 500 acres.

30,594. In those cases have you re-let them at the old rents?—Generally speaking, at a fall of rent.

30,595. Of how much?—I should say, speaking generally, perhaps 9 or 10 per cent.

30,596. I think you said you had a great number of applications for new farms?—Yes, I have about a hundred.

30,597. Including men with capital up to 2,000*l.*?—Up to 3,000*l.*

30,598. What amount of capital should you say is required per acre for a large farm?—I like to have 10*l.* an acre, if I can get it, but I have been letting at 6*l.* or 7*l.*

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Tenants' capital.

30,599. Then there must be men with capital enough to farm 200 acres ready to come in?—Yes.

The letting of large farms.

30,600. Then it would not appear that there was any great difficulty with respect to the larger farms?—I think there is considerable difficulty in getting the old rents for the larger farms, because there is less demand.

30,601. I understood you to say that the farms were re-let to their occupiers at the same, or perhaps a little less rent?—The larger farms would be let at a little less rent. On farms of 200 acres and upwards I should say the fall has been about 10 per cent.

30,602. In the case of the farms from 100 to 200 acres, have they been let at the old rents?—Something like the old rents, or probably at a little fall upon them. Up to about 100 acres, I think they would command the old rents.

Condition of farmers.

30,603. Is there any indication on Lord Aberdeen's property that the farmers have lost any portion of their capital?—I heard about some having lost capital, but judging from the rental and the demand for farms, it would appear that, generally speaking, the farmers are in comfortable circumstances. The farmers are a very hard working and industrious class of men.

30,604. And generally in comfortable circumstances?—Generally; I would suppose so, so far as I can judge.

Reduction of labourers.

30,605. Has there been any reduction in the number of labourers in the district?—Not to my knowledge.

30,606. Not to your knowledge?—I do not think so.

The currency and wages.

30,607. On the assumption that the appreciation of gold is the cause of whatever depression there is, how do you account for the fact that the wages of labourers have not been reduced?—Because I think, as a rule, the farmers consider the labourers should be well paid for the work they do; I think the general feeling on the part of the farmers is, that the labourer does not receive more wages than he is entitled to have.

30,608. I understood you to say that the labourers were much better off because their wages went much further?—So they are.

30,609. Therefore the labourers might have had a small reduction of wages, and still have been where they were?—Yes, but still, so far as I can know the farmers have made no movement towards the reduction of labourers' wages in Aberdeenshire; the purchasing power of the labourers' wages now is greater than what it was 20 years ago.

30,610. Does it not strike you as a somewhat remarkable fact, on the assumption that the appreciation of gold is the cause of the depreciation of prices, that the wages of labourers have been maintained?—It does so, but I think that the general feeling on the part of the Aberdeenshire farmers is, that the labourer is well worth the wages which he receives; there is no indication of a desire on the part of the tenants to reduce the labourers' wages, so far as I know.

Covered yards.

30,611. (*Mr. Lambert.*) Do you find covered yards for dung advisable?—On Lord Aberdeen's estates, there are very few farms which have covered yards upon them. All the cattle are fed in "byres," and are all tied by the neck.

30,612. Is there a demand for covered yards: do you think them advisable; do you think they save manure?—There was a demand for covered yards in Berwickshire, but in Aberdeenshire the farmers appear to prefer byres for cattle feeding. I think covered yards are advisable where straw is as plentiful as it is in the south of Scotland, and I am of opinion that the manure made in them is of better quality than that made in open cattle courts.

The witness withdrew.

Mr. C. Hoare.

Mr. CHARLES HOARE called and examined.

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30,613. (*Chairman.*) You are a banker connected, I believe, with the firm of Hoare and Co., Fleet Street?—Yes.

30,614. You also own and farm land in Kent?—Yes.

30,615. Whereabouts in Kent?—At Staplehurst.

30,616. You have about 700 acres in hand?—Yes.

30,617. Have you also land let to tenants?—A very small amount.

30,618. You have got very nearly the whole of your land in your own hands?—Yes.

30,619. How long have you had it in hand?—About 15 years.

Experience of farming.

30,620. What has been your experience as a farmer?—It has been an unfortunate one as far as financial results go. I think part of the loss that I have sustained, might be fairly credited to the improved value of the freehold.

30,621. You found the land in a bad condition, and you have brought it up into a good condition, I presume?—Yes.

30,622. Do you grow hops?—Yes.

Hop growing.

30,623. What has been your experience in that?—The hops, I should say, have paid; in some years they have paid very well, and taking the whole series of years, I should imagine that the hops, to use a Kent expression, have held their own.

30,624. What amount of acreage in hops have you got?—It is now, I think, 100.

30,625. That is a large amount?—Yes; in the Weald of Kent about 10 per cent. is the average and reasonable amount, but I have made it rather more, because I found that hops were the only things that paid and had any chance of paying.

30,626. What is the condition of the agricultural labourers in your district?—I should say that they were as well off as in any part of England. I have often asked the question, and my bailiff has told me that a good worker, with a healthy wife, would earn nearly 23*s.* or 24*s.* and sometimes as much as 25*s.* per week. The wife is able to do easy work from the 1st of April to October.

Wages.

30,627. In tying hops?—In tying hops, fruit-picking, haying, and hop-picking.

30,628. Has there been any reduction in the wages of labourers in your district since you have farmed?—They were raised and now they are slightly lower.

30,629. When were they raised?—I could not tell you accurately.

30,630. How much were they raised?—From what dates would you take?

30,631. Say, compared with 15 or 20 years ago?—More than 20 years ago, I suppose, the average wage was 2*s.* a day.

30,632. Then what did they rise to?—At least 2*s.* 6*d.* A man would earn more by piece-work, of which there is a great deal.

30,633. What have they gone down to now?—I think last winter they were down to 2*s.* a day, 12*s.* a week.

30,634. Is that the average; do you say they have gone back to the old rate fully or not?—Not fully, I should think. I would not like my evidence on this point to be taken as positive, because I never paid the wages myself.

30,635. Of course it is important, in order to know the general condition of the different classes of agriculture, what the effect has been upon the labourer?—Certainly. I should say within the last few years in Kent the condition of the agricultural labourer has improved enormously.

30,636. Although the wages may have been slightly reduced after the rise, I presume they get more for their money?—Certainly.

30,637. Then the low prices have been a great advantage?—A very great advantage to the agricultural labourers, because their wages have not been commensurately reduced.

Fall in prices and appreciation of gold.

30,638. Then what is your opinion of the causes of the agricultural depression?—I should say the great fall in prices.

30,639. What do you consider the fall in prices due to?—Putting it shortly, it is the appreciation of gold due to the demonetisation of silver, and I think the prolonged peace is not to be lost sight of. The appreciation of gold affects prices because the proportion between produce of all kinds and the volume of currency has been upset, owing to the large increase of the former, and the concurrent diminution of the latter.

30,640. Have you formed an opinion yourself as to what is the average appreciation of gold or depreciation of prices?—I should like to say as a preliminary to that, that I do not pose here as a professor of these difficult questions. I have considered this question as a farmer.

30,641. Yes, but you are also a banker, and one would like therefore to know how far your study of this interesting question has proceeded from that point of view as well as from the point of view of the farmer?—I think the scientific evidence (and you will require a scientific answer to that to do it justice), has been so well given by Professor Foxwell that I would rather leave it in his hands, also in the hands of Mr. Everett, who has given you scientific evidence on the same point. I could only give you evidence as an amateur, so to speak. I was led to take an interest in this question because I had to take the chair at an agricultural meeting, and there the chairman is always expected to make a speech on agricultural subjects. I thought it was no good telling them about bullocks, and sheep, and corn, and grass, and I tried to think of something to say that would interest them particularly, viz., the question of prices. The fall in prices was just then beginning to become a very pressing question.

30,642. When was it you addressed this meeting; the fall in prices began in 1878?—I am not quite sure.

30,643. You said just now you had to attend an agricultural meeting, and to make a speech, and you thought it well to enter upon the subject of prices. I just ask you when that occurred?—I should imagine about seven years ago.

30,644. You then entered upon the subject?—And gradually began to think more and more about it. At first one was very doubtful about the cause of agricultural depression, whether it was due to the appreciation of gold, but when I came to think of it, and to give more and more attention to it, it appeared to me that what a farmer does when he sells his wheat is to buy gold with it, and that he has now to give two sacks of wheat to get the same quantity of gold that one sack of wheat got before. So I came to the conclusion that as that fall of price, or rise in the value of gold, was general, as *e.g.* in the case of wheat, or wool, or iron, or sugar, or tea, and other articles in general use, the appreciation of gold was affecting the agricultural interest more than anything else.

30,645. Do you consider the depreciation of prices wholly due to the appreciation of gold?—No; I think as I said before that it has something to do with the prolonged peace, and I think it also has to do with improved means of communication.

30,646. Increased communications?—Yes; fall of freights, and the very large increase of productions of all kinds also has to be borne in mind, and that all added to it. We ought to have had concurrently an increase in the currency, instead of that we have had a contraction of currency.

30,647. Have you formed an opinion at all as to the relative importance of those two different causes, namely, on the one hand the prolonged peace and the greater production, and on the other hand the appreciation of gold?—I think the currency question is much the larger and greater cause. I say, in my proof, that "during the last 20 years population has grown, and "productions of all kinds have enormously increased, "but gold, our standard of value, has not increased in "proportion, because though the annual output from "mines is larger than it was, it has been in special "demand for currency purposes owing to the demone-"tisation of silver." I have got a letter here from my bailiff dated 1882, showing the fall of lambs. He sold his lambs then, in February, at 68*s.* a head; I suppose we should be very glad now to sell them for 38*s.*

Fall in the price of lambs.

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30,648. (*Mr. Lambert.*) The same weight, the same breed and precisely similar lambs?—I imagine that is about the price.

30,649. Would you say that lambs have gone down two-thirds in price?—Yes, I should think so.

30,650. (*Mr Everett.*) Should that not have been 48*s.* instead of 68*s.*?—It is 68*s.* "Lambs sold very dear, we marketed some good lambs as high as 68*s.*"

30,651. (*Mr. Lambert.*) Would they be 12 months old?—This is dated February.

30,652. The lambing season comes on about February would they be 12 months old?—They would be nearly 12 months old. It comes on in March and April.

30,653. (*Mr Everett.*) They would have to be what we call hoggets?—They would have to be a year old?

30,654. Yes?—They were not quite a year old.

30,655. (*Mr Whitehead.*) The Kent lambs are born about April?—Yes.

Production of gold and commodities.

30,656. (*Chairman.*) You consider that while the production is greatly increased owing to prolonged peace and so forth, and inventions, and fall of freights, that the production of gold has not increased in the same ratio, that is your view?—My view is that gold is different from all other produce, wheat, and wool, and sugar, and tobacco, which are consumed in the year, so that an increase we will say of 10 or 15 per cent. of the produce that is consumed in the year would have a very great effect. It is said that the output of gold from the mines has risen from 19,000,000*l.* to 25,000,000*l.* a year; that you would naturally suppose would have an enormous effect. But, if I am right, gold is not a thing like wool, and cotton, and coal, which is produced and consumed, but it is added to the enormous stock already existing in the world. So that an increase of 20 per cent. in the annual production is an infinitesimal increase in the entire mass of gold that is available for commerce or as the standard of value; so that this apparent considerable increase of gold, to say nothing of the largely increased use of gold in the Arts, has not anything like the effect that a person would expect it to have; besides which the demonetisation of silver has had an enormous effect.

30,657. I do not quite understand the analogy which you have drawn or intended to draw; in the case of wheat and other produce, the production is for the year and it is consumed within the year?—Yes.

30,658. In the case of gold, the production every year is added to the stock?—Yes.

30,659. I rather wish you to explain more fully what deductions you draw from that?—I wish to draw the deduction that the increased production of gold that is now going on will have a much slower effect than anybody would imagine, because instead of being such an increase as that of a similar quantity of wool and of wheat would be, it is added to the enormous existing stock, and so it is only an increase (we will say that the stock is 1,200 millions), which would make it 1,226 millions instead of 1,200, and that is an infinitesimal addition compared with what it would be, were it consumed in the year. Supposing, for the sake of illustration, that that the whole annual production of wheat is so many millions of quarters, if there was an increase (as in the case of gold) of from 19 to 26 million quarters, that would have an enormous effect, because it is consumed in the year. But each year's output of gold is not consumed in the year, it is added to the stock.

30,660. It rather occurs to me that the fact that the gold continues to remain in existence, and is not consumed in the year in which it is produced, would rather make its effect go further, because whatever is produced each year is continually adding to the fresh amount of the existing stock, whereas in the other case of the mutton and wheat and other produce, whatever increase is produced in the year is consumed in the year; but you do not hold that view?—No. Take wheat; if the whole consumption of last year was 19 millions, produced and consumed, and we suddenly add to the yield an increase of seven millions it would have a very great effect.

30,661. (*Mr. Chaplin.*) You mean it would have a great effect on prices, that large sudden increase of one year's consumption?—I imagine it would. Another cause generally stated is that we have constantly had over production. My idea is that if over production is the cause of the agricultural depression of the last 15 years, if we had had over production year after year, by this time we should have had enormous stocks—granaries would be bursting; there would be enormous stocks all over the world. What is the fact? I believe the stocks now are extremely low, as is proved by the extremely small demand for money. There is no demand for money at all. Why is money usually wanted? It is to hold stocks and to discount bills. The smallness of the demand for money proves the very small amount of stocks held, and that is what you would naturally suppose would be the case. Anybody who held stocks for the last 15 years has lost money enormously, because stocks are constantly depreciating. In a depreciating market any trader holds as little stock as he possibly can; and therefore I say there cannot be any accumulation of stocks because there is no demand for money. Therefore the idea that there has been over production year after year is mistaken—at all events the outward and visible sign of it is non-existing. I should like to say that it is commonly said that you cannot have any scarcity of gold because of the stocks of gold in London and Paris and elsewhere. I should like to give you rather a homely illustration. Years ago we heard of a great famine in Egypt—the famine was sore in the land. At the same time there were enormous stocks of corn; Joseph had as much corn as he wanted, and more than he could do with, but the famine was sore in the land. And I say that is an illustration of the present situation. We have got enormous stocks of gold in the banks of France, England, Berlin, St. Petersburg, and various other places, but the famine for currency is very sore in the land. We can always get gold it is perfectly true; all you have got to do is to go to the bank and tender your banknotes. How do you get your notes? By exchanging a double amount of produce to get the same quantity of currency; but that, I say, proves the fact that the famine is sore in the land for currency.

Fall of prices and appreciation of currency.

30,662. (*Chairman.*) You state in your note here that when prices fall from the abundance of crops they are a benefit—to the world, I suppose—but when they fall from the appreciation of the currency there is damage. Will you explain what you mean by that?—I should like Professor Foxwell to do that. I think, generally speaking, the explanation is that when you have got an abundant harvest you can afford to take a lower price for your produce; but supposing, as last year, you have a famine harvest it is ruination to take the current prices.

30,663. Supposing the abundance is due to the opening out of fresh countries, or of the lowering of freights, so that the produce of other countries can come more easily here, do you consider that a benefit or not?—I think it is a benefit as Free Trade is a benefit. I am thoroughly in favour of Free Trade.

30,664. I only want to know your view?—Would you ask me the question again.

30,665. You say here: "When prices fall from abundance of crops there is benefit" and you explain that you mean by that where there is a good harvest and the abundance results from that, that is a benefit to the country. I then put to you the question: Where the prices fall from the opening out of fresh countries and from increased production of that kind, and from the lowering of freights, do you consider that to be a benefit to the country?—I do not think I am prepared to give an answer straight away. I have not thought about it enough.

30,666. I think you said just now that you considered there was over production?—No, excuse me, I said just the contrary. I said there were no signs of over production. I said the signs of over production would be accumulation of stocks, granaries bursting, and money dear to hold them.

30,667. You go on to say that where the fall of prices is due to the appreciation of the currency that there is damage to the country?—Yes. My idea is that that shows the appreciation of debt. Every person carrying on a business does so to a large extent with borrowed money or with credit, and when prices fall your debts become more onerous. That is partly what I mean.

30,668. Then do you consider that agriculture has suffered equally with other trades from the appreciation of gold?—Yes.

Protection.

30,669. Do you regard that Protection as a remedy is impracticable?—Protection I regard as utterly hopeless and impracticable, because I consider that Protection is more or less a class benefit. If our remedy is to be an

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effective remedy it must be one that will benefit all producers. What is commonly called Protection means Protection for agriculturists only, and to that we should have the antagonism of all other producers as well as of all the people with fixed incomes. So I think even if agriculturists were to agitate all they possibly could—say that they are in the proportion of one out of ten—they would have nine against and one for them; it would be a hopeless crusade.

30,670. Then you discard protection as a remedy for the depression?—Certainly.

Burdens on the land.

30,671. Have you considered the other remedies which have been suggested, such as the reduction of the burdens on land and so forth?—Other remedies suggested before the Commission, such as a further reduction of the burdens on land, seem to me most absurdly inadequate in view of the magnitude of the crisis, though they may be useful and beneficial so far as they go. I would glady accept them if they were given to us. They may be beneficial, but I consider they are also, to a certain extent, selfish. Because if I shift my burdens from my farms and put them on to the people with fixed incomes or on other producers, I am shifting my burdens on to other people's shoulders and to that extent it is like Protection, and we should have the opposition of other producers as well as of the people with fixed incomes. But, of course, there is a certain amount of equity in this, because when these burdens were put on the land, land and real estate was the only capital, and so there is a certain amount of justice in shifting those burdens.

Bimetallism.

30,672. Then you have come to the conclusion that the best remedy for the depression is by operations affecting the currency?—Yes.

30,673. And by increasing the volume of the currency?—Yes.

30,674. Have you come to the conclusion that it is in the direction of bimetallism that we must seek for a remedy?—In conjunction with the other civilised powers of the world. I would not attempt it by ourselves.

30,675. By bimetallism you mean the re-adoption of the double standard at the old fixed ratio of 15½ to 1?—Yes.

Establishment of a ratio between gold and silver.

30,676. Do you consider it an essential feature of your scheme that we should re-establish the old ratio at 15½ to 1?—I believe it to be; I am very sorry I have not brought the reference, but I have no doubt you have seen it in the "Times"—a letter from a French gentleman pointing out that any other ratio would be more difficult than the ratio of 15½ to 1. We will take the Bank of France. The Bank of France now has something like 50 millions sterling of silver which stands in her books at 5*s.* an ounce, 5*s.* an ounce is the ratio of 15½ to 1. So that if any other ratio were adopted it would involve the Bank of France in an enormous loss. Supposing you took the present value of silver which is, I suppose, about 2*s.* 2*d.* or 2*s.* 3*d.* it would involve the Bank of France in a loss of about 30 millions sterling, equal to her whole capital, and more. As regards England, I do not exactly know what the amount of circulation in silver is in shillings and halfcrowns and so on—say 20 millions; if we had to re-coin our silver and revalue it at any other ratio than 15½ to 1 we should be involved in that loss, whatever the loss would be. Supposing we took the present prices it would mean a loss of 10 millions and more—12 millions. So that all nations are interested in going back to the old ratio of 15½ to 1, because they have already got an enormous quantity of silver, even the gold standard countries.

30,677. Then you do not agree with Mr. Foxwell in recommending that the ratio in future should be 20 to 1?—I would submit to Mr. Foxwell's better judgment, I only give you my own opinion, and I told you particularly it was not a scientific opinion, it was the opinion of a farmer.

30,678. It is the opinion of a banker, too?—Well, I am a farmer here.

30,679. Then I think I am entitled to ask you whether, as a banker, you consider it is possible to go back to a ratio of 15½ to 1?—I should say yes.

30,680. You think it is possible?—Because you see we are interested already, as I told you before, in our present silver currency; the Bank of France is interested to the extent of 50 or 60 millions, and those two instances, I think, are sufficient.

30,681. What, in your opinion, would be the immediate effect of establishing the ratio between gold and silver at 15½ to 1; would it be to raise prices immediately?—I do not suggest that it would be desirable to establish at once the 15½ to 1. These are only my own amateur thoughts, we must go by degrees. I say bimetallism, or the re-adoption of the double standard at the old fixed ratio of 15½ to 1 is, in my judgment, the only possible method of achieving the result. To obtain it, a conference of the civilized powers should again be summoned with the view to the adoption of measures for the increased use of silver for currency purposes, with the intention of paving the way to bimetallism. It might be necessary for different powers to adopt different tentative measures; for instance, England might agree to issue three millions of 20*s.* and 10*s.* notes, based on coined silver, per annum for three years, which should be legal tender for all purposes up to 10*l.* I do not think there is any practical doubt that such notes, made payable in silver, would be extremely popular, as is proved by the enormous use of postal orders and the large circulation of 1*l.* notes in Scotland and Ireland.

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Immediate effect of establishing a ratio.

Effect of raised prices on the country.

30,682. Is your object, and your expectation by such a measure, to raise prices?—Yes.

30,683. To raise prices considerably?—Yes, as they have considerably fallen.

30,684. Do you think that would be to the advantage of the country?—I would not say to every individual in the country, because I consider the country is divided into two classes, producers and people with fixed incomes, and there you have got war, I say, and the war will become more acute.

30,685. It will be an advantage to the producers then?—Of all kinds.

30,686. And not to consumers?—Not the people with fixed incomes, I say, from the Chancellor of the Exchequer down to the policeman, including all fund holders and debt owners.

Effect of raised prices on the labouring classes.

30,687. Would it be an advantage to the labourers of the country?—I think so, but the workman, it is said, would have to pay more for all he consumes if the supply of currency were increased and how would he like that? If, however, the working classes are to look in the future for anything like regular employment, either wages will have to be considerably reduced or prices would have to be materially advanced. Of course, I mean it is impossible to carry on business at a loss as we are now doing. There can be no doubt which alternative of the two they would prefer, keep up, they would say, our wages even if we have to pay more for what we consume, because experience has taught us that rising prices always give us the best chance of a rise in wages. Mr. Maudsley, the secretary of the cotton spinning employes, takes that view very strongly. I am asked from an agricultural point of view as well as from a manufacturing one; that is why I am so in favour of a currency reform, because it unites producers of all kinds in a common interest. If we do nothing to arrest the fall of prices we must either abandon our farms, close our mills, and other industrial undertakings, or we must reduce wages, and any reduction of wages I look upon, in these times, as a tremendous risk to the State, almost, as we see in America at the present moment, to civilization. I think in advocating currency reform, agriculturists would have the support of the manufacturing interest, which at present is in great danger of leaving the country altogether, and going to India and China and Japan—places where labour is cheap.

30,688. You told us a little while ago that the agricultural labourers were much better off than they ever had been?—Yes.

30,689. Mainly owing to the low prices?—Yes.

30,690. The effect of raising, artificially, the prices in the manner you speak of would be to increase the prices of the articles which they consume?—Yes.

30,691. Do you think they would be better off from that?—They would be better off only in the sense that they would continue in their occupations. The villages would still be inhabited and work would be carried on; otherwise if the prices of wheat and other agricultural produce continue to fall, more and more land will go out of cultivation, more and more houses become empty, and more and more people will go into the towns. That is how it affects them, and any thinking man sees and knows—agriculturists I am speaking of—

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that farmers cannot grow their wheat at the price at which it now stands.

30,692. Then it is, rather, fear for the future?—I think many farmers are living on their capital and have not realised the fact that they are losing money hand over hand, and, I say, if they took out proper balance sheets and really knew how their accounts stood, instead of one farm being given up in 50 we should have 25 farms given up in 50, and an enormous number of labourers thrown out of work.

30,693. (*Mr. Chaplin.*) You mean that the great bulk of the farmers, as far as you are acquainted with them, do not keep accounts?—They do not keep accounts and have not the slightest idea of their balance.

30,694. If they did keep accounts and knew how they were they would give up business at once?—They would give up business at once if they dared.

30,695. And then the men would be out of employment?—The men would be out of employment, that is what I mean.

Difference between the metals and other commodities.

30,696. You pointed out to the Chairman, just now, that the metals differed from other commodities like wheat and wool in this respect, that the metals do not perish and they are not annually consumed, and I understood you to argue from that that the important thing in the case of the metals, as affecting prices, is the existing mass and not the annual output, which is only a fractional addition to the mass. Do I correctly describe your view?—That is as far as I can understand it.

30,697. In the case of the other commodities like those of which you spoke, you pointed out that they were annually consumed, and that therefore an increase or a decrease in their case was a matter of primary importance?—It would have very great effect.

30,698. You heard the evidence, I think, of the last witness?—Just the end of it.

Fall in prices and appreciation of gold.

30,699. I understand then from what you say that you agree with him, that in your judgment the main cause of agricultural depression is a fall in prices due to the appreciation of gold?—Yes, or if you like to put it in another way, from the demonetisation of silver, which brings about the appreciation of gold.

30,700. What you said, I think, was that, in your opinion, the appreciation of gold was due chiefly to the demonetisation of silver?—Yes.

30,701. That was another cause?—Yes.

30,702. Do I understand from your views that you are of opinion that unless some alterations are made in the currency which would have the effect of relieving the present appreciation of gold you do not anticipate any permanent or sensible improvement in the agricultural situation in the future?—On the contrary, I think things are rapidly getting worse and worse—very rapidly—and that farmers are just beginning to appreciate the tremendous losses that they have had, both in capital and in income. The enormously increased burden of debt is the most alarming feature of the whole situation.

30,703. Do you mean that the farmers are only just beginning to appreciate their losses, or that they are just beginning to appreciate what you regard as the cause of those losses, for they must have been aware that they have been losing money?—Both, and also the hopelessness of the situation.

Bi-metallism.

30,704. Then the proposition that you make to the Commission as a remedy for this, I understand, is the readoption of what is called bimetallism?—Yes; that we should favour such steps by concerted action with the other civilised powers of the world as will pave the way for the introduction of bimetallism. I would not attempt to do it at once; I think we must have introductory steps, and do things by degrees.

30,705. What you want, I understand is, concerted action among the different powers in the world, which should pave the way, ultimately, for the adoption of the bimetallic system?—Yes.

30,706. Have you studied the Report of the Gold and Silver Commission?—I have read very little of it.

30,707. Have you read the recommendations which were contained in the third part of the report?—I think I did. It was some time ago, and I am not prepared to be examined on it.

30,708. You are not sufficiently acquainted with those recommendations to say whether you agree with them or not?—As far as I remember, their recommendations were among the reasons that made me adopt the ideas of bimetallism.

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30,709. Then you do approve of them?—Yes; as far as I remember, I think it was one of the causes that led me to adopt bimetallism.

Effect of raised prices on the labouring class.

30,710. (*Mr. Giffen.*) With regard to your idea that if we are to look in the future for anything like regular employment for the working classes, either wages will have to be considerably reduced, or prices will have to be materially advanced; I suppose you do contemplate that the workman is to be placed, as far as his income is concerned, in rather a worse position than he is now; that is what you assert?—I think it is inevitable, because he has got too big a share of the cake.

30,711. You have considered that point carefully with reference not only to agriculture, but to the general industry of the country?—Yes, and particularly where it comes into competition with industry in countries having a silver or other depreciated currency.

30,712. You hope, by this change that you contemplate, to put the workman in a worse position than he is now; to give him a smaller share of the cake?—You put it in a disagreeable way, if you will allow me to say so.

30,713. Still, that is exactly what you contemplate?—No, I would not admit that; I would say that I would put him in a position to maintain himself in honest industry.

30,714. But still you are not going to give him the same real income?—I am not going to starve him; if nothing is done, as I view the case, there will be starvation.

30,715. You propose to give him a smaller real income, and a smaller share of the good things of life than what he has now; that is what you hope to effect?—My object is to keep him in honest industry.

30,716. How much business is being carried on now at a loss, do you think, how much in proportion to the total business of the country?—You must not ask a farmer that question.

Profits banking.

30,717. Is banking being carried on at a loss, may I ask?—We are lending money at ½ per cent.

30,718. But you are paying very fair dividends as far as one can observe from the price of the shares in the Joint Stock Companies?—I should like to tell the Commission that that is a very misleading thing to say. We will take a large joint stock bank; to-day they are paying 20 per cent., and as Mr. Giffen says, "What large profits!" On the contrary the profits are extremely small, when you really find out what the capital employed is. They pay 20 per cent. on the proprietors capital of a million, but the total deposits used in the business are 20 millions on which only 1 per cent. is earned. Supposing their capital was reduced, and returned to the shareholders to the extent of 500,000*l.*, then their profits would be 40 per cent., but still only 1 per cent. on the capital employed in the business. We bankers are allowed to trade with our customers' balances.

30,719. I have heard that the banker does not need any capital at all in his business. I was informed so, many years ago, by a most competent banker and economist?—We, and our predecessors, have been bankers for 230 or 240 years, and I should say the chief capital required for bankers was credit.

30,720. But you cannot say, to come back to my question, that bankers are carrying on their business at a loss, they are making profits of some kind?—If you say you are making profits of 1 per cent. on your capital and that is a large profit, I do not agree with you.

30,721. I am not speaking whether it is large or small, I am merely calling your attention and putting the question to you whether they are carrying on their business at a loss?—No, they are not carrying on their business at a loss.

Profits of railways and breweries

30,722. Are brewers carrying on the business at a loss—a very large industry?—Many have done so.

30,723. Are our leading railways carrying on their business at a loss—a very large industry again?—No, the leading railways are certainly carrying on their business at a profit.

30,724. I need not go through and enumerate the different businesses of the country, but is it not the case that a very large amount of business as we see

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from the income tax returns is being carried on at a profit and not at a loss?—That must be so, but I should imagine that the main payers of the income tax are people with fixed incomes; and if you take the railways you see the main portion of the railway capital is preference and debenture stocks. It is only the people who own ordinary stocks who are the traders of the concern.

30,725. Still the preference and debenture stocks are a mode of dividing the profits which the whole undertaking earns?—Yes.

30,726. I am speaking with reference to the question whether the working man does have an adequate share of the cake or not; and I should like to put the further question whether the reduction of money wages which has been anticipated has not been very long in coming, and whether we may not now entertain a doubt whether it will come at all?—Anything in the future is doubtful; I do not see what I can say more.

Rise in prices and rise in wages: effect on agriculture.

30,727. At any rate you do not want a rise of prices with a proportionate advance in the money wages of the working man?—You say I do not personally wish it?

30,728. I am speaking of what you are proposing here—what it is you wish to do?—I say, the working people would be in favour of a rise of prices, because experience has taught them that rising prices always give them the best chance of a rise in wages. I cannot say anything different.

30,729. Then the further question I would like to put is, that if you have a rise of prices and a rise of wages at the same time, and rise of prices not confined exclusively to agricultural produce, what benefit is agriculture to get in the long run from the change?—Because the fixed charges which are a very important item would become lighter, and the burden of debt would be more easily borne.

30,730. Then it is only with reference to that question of fixed charges that that is a proceeding by which you say that the agricultural interest at this moment would benefit?—What do you call the fixed charges, do you call his rent a fixed charge?

30,731. I am using your own phrase. What you propose is an immediate benefit to the existing class of agriculturists of some kind or other?—I should say that the agricultural labourers would gain, because they would obtain more regular employment, and more of them would be employed, too; because we should be able to grow crops again which we cannot grow now.

30,732. Is that so; if wages and all other prices increased, would you be in a better position to grow crops at all?—Yes, because wages, I imagine, are not more than half the cost of production.

30,733. But all other prices as well. What benefit is agriculture to get from a mere change in the denomination of things?—If you give me an instance perhaps I might answer it. You ask such general questions.

30,734. Necessarily what you propose is a monetary change; that is to say, you propose, if I might use the phrase, to adulterate the currency, and give us 150 sovereigns where 100 were before, or something of that kind, and prices and everything to go up proportionately; and the question I am putting is, whether anybody would really be the better off for the change, except that those who are now creditors would lose something, and those who are now debtors would gain something?—And the other way is, as I said before, that the workman would be better employed and this country would be able to grow crops which it cannot grow now.

30,735. Is there much room for better employment of working men, one year with another, in this country?—We find the tendency is to lay down land to grass, which means diminished employment.

30,736. That is only the particular industry of agriculture, not the whole industry of the country?—One only hears that there is a tendency for the cotton business to go to India and Japan.

30,737. Might that not be due to a great variety of causes, and not specially to any currency change?—I thought it was due to the fact of labour being paid in India in depreciated silver.

30,738. Still, that is not a subject that you have specially investigated, that you can speak upon?—Only generally.

30,739. You speak of the employment of silver for currency as having been erroneously curtailed, but I think we have had evidence here, and Professor Foxwell admitted, that there has been actually no diminution of the employment of silver of late years; but you are not able to go into the facts?—No; I only go upon the general idea that Belgium and Germany and Austria and Italy and the United States, and so on, have adopted a gold currency, and therefore there is a less demand for silver.

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Employment of silver for currency.

30,740. As a matter of fact the United States has purchased and made use, in some form or another, of an enormous quantity of silver during the last 20 years?—Yes, and we saw what was the effect in the immediate rise of prices.

30,741. I am not quite sure what you mean?—We saw what was the effect in the United States, and here also.

30,742. The purchases of silver I speak of have been going on since 1878?—Were they not increased by a particular Act?

30,743. There was a momentary speculation in 1890, but the purchases of silver by the United States have been going on for a great many years. My question was merely to the question of fact. You say the use of silver in currency has been enormously curtailed, and I wish to ask what particular facts that opinion was based upon?—The demonetisation of silver by Germany particularly.

30,744. But Germany, in fact, did not part with any great amount of silver?—Then the popular idea is wrong.

30,745. And every other country, I believe, has increased its consumption of silver in some form or another?—Yes, I should naturally expect so.

30,746. I should think, if my recollection is right, Professor Foxwell, when he was here, merely insisted upon the one thing, that by the change in France in 1873 a field for the employment of silver was taken away which might have existed; that was all he said. But you have not gone into the facts?—No more than I say, and that appears to be inaccurate.

Position of silver as legal tender.

30,747. (*Mr. Everett.*) In regard to silver, if the use of it has not largely diminished, which, I believe, facts show to be the case, the legal position of silver as a full legal tender metal is altered very much, is it not?—That is as I understand, in Germany and Belgium and in France.

30,748. Many countries which recognised silver as full legal tender have, during the last 20 years, ceased so to recognise it; that is the case, is it not?—That I believe to be the case.

30,749. And they have also in doing that closed their mints to the free coinage of silver?—Yes.

Free trade and free mints.

30,750. You told the Chairman that you were entirely in favour of free trade, and I gather from the evidence you have given on the monetary question that you are also in favour of free mints for the two precious metals?—Yes, if we could get an agreement with the civilized powers.

30,751. Would it not look to be a necessary concomitant to free and uninterrupted trade between countries using both the precious metals that there should be the free and equal use of the two precious metals, as well as free ports and interchange of commodities?—One would naturally suppose it would be an enormous advantage.

Effect of fall in prices on capital and labour.

30,752. Then your evidence leads us to the idea that the present condition of things is tending towards the ruin of employers, that a great deal of the producing business is being carried on now with very inadequate profit, or with no profit at all?—Yes, not only to the capitalist but I believe it has a very bad effect on the employés.

30,753. That was the question I was just coming to. As I understand, your contention is that the workmen cannot permanently benefit by the ruin of their employers?—It seems to me obvious.

30,754. They have, according to the facts testified before us—those of them who are in employment derived a certain amount of benefit from the change of things up to the present?—I think they have derived a great benefit up to the present time.

30,755-6. But your judgment is that that has been at the expense of capital, and is not likely to be continued?—Yes, I believe it has been at the expense of

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capital, because farmers have not kept proper balance sheets, and so have not appreciated their loss. If they kept proper balance sheets and really took stock they would find not only that they were getting no profits but that they had lost a very large proportion of their capital in paying wages and other outgoings necessary to carry on their business during the last few years.

30,757. I see in the brief you put in you consider that the failure of banks in Australia was largely connected with the depreciation in the value of produce and land in the Colonies?—Yes.

30,758. And you apprehend a danger of a similar crisis in England if this continued fall in prices goes on?—I think it is certain.

Depreciation in value of real property.

30,759. Has there not been already an enormous depreciation in the value of real property in this country, farms and mills?—Of all kinds.

30,760. Would you imagine that that would run up to hundreds of millions in estimating the amount of depreciation as compared with 20 years ago?—I should imagine so, but I do not know what the fixed capital invested in these things is. Take farms which were worth 50*l.* an acre; now they are worth merely a nominal sum; in many cases they cannot be sold at any price.

30,761. Does not the same state of things apply to iron works and cotton mills also, largely?—I asked a gentleman once whether it was an exaggerated statement to say that, taking an instance of a man with 100,000*l.* capital, invested in his mill, plant, and machinery, who was earning at one time 20,000*l.* a year, and who wanted to extend his business, and borrowed 50,000*l.* at 5 per cent., the security of the lender being 150,000*l.*, the borrower would probably now be making no profits at all, and the security of the man who lent the 50,000*l.* would be little better than a white elephant. He says that as regards many cotton industries that was not a bit an exaggerated statement. So that what looked to be a capital and first-class investment has now turned out to be almost valueless. The tendency seems to me to be, as Mr. Mundsley has pointed out, that capital which is now employed in England employing English workmen, will be shifted to Bombay and other places in India and Japan and China, where the labourer is paid in silver, thus reducing the cost of production by one half. I view with very serious alarm the future of many industries of this country. Places that have been flourishing towns, with workmen well employed, and industry active, if this appreciation of gold continues, will become a wilderness. Take the three great industries I know something about—agriculture, cotton, and iron; all alike are suffering. For instance, the Barrow Hematite Steel Company at one time was the most prosperous thing going. It has not paid any dividends on its ordinary shares for years; its capital has been written down 25 per cent. If we take the Low Moor Iron Company, one of the best things in Yorkshire, it has paid no dividend at all, and shows a loss on its working.

30,762. (*Sir Nigel Kingscote.*) Was this all due to the appreciation of gold?—To the gold cost of production.

30,763. (*Mr. Everett.*) As I understood you, the value of what they turn out continually falls owing to the appreciation of gold, and the workmen are not willing to have their wages reduced proportionately so as to allow the industry to be carried on to pay?—Yes. Producers at home with their outgoings paid on an appreciating gold basis, have now to compete with producers abroad, whose outgoings are paid on a depreciated silver or paper basis, with the result that the former would have to accept the lower price that would give a profit to the latter.

Profits of breweries and railways.

30,764. With regard to the two commercial interests which Mr. Giffen questioned you about, railways and brewers, is it not the fact with respect to brewers, that owing to our licensing system, to tied houses, and to the other arrangements connected with the trade, that is a special industry?—Yes, by the operation of the licensing system it is made into a monopoly.

30,765. With regard to railways I understood you to say that it was the producing industries that were suffering by the appreciation of gold, but railways are not producing industries?—I wished to say that the producing industries were particularly suffering. I think I should have liked to have said that.

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Legislation and prices.

30,766. The chairman asked you a question about whether you wished to raise prices artificially. I should like to ask you whether you do not think it is quite as hurtful to an industrious country to depreciate prices artificially as to take steps to raise them?—I think it is worse for the country to have prices artificially depreciated, as I consider they now are, owing to the appreciation of gold; it is the worst of the two evils, I think it is better to have constant prices and regular prices.

30,767. And it would be your view that the present appreciation of gold, has largely been brought about by legislation; that is by artificial means?—Yes; and what I think is particularly important as regards the currency question affecting agriculture is the increasing burden of debt. All traders if they are carrying on a prosperous business seek to extend their business with borrowed money. When they can carry on their business at a profit, the more money they can borrow, with reasonableness, giving proper security, the better, and many farmers did that in former days. They have now got the same amount of debt, and they have got about half the amount of assets to meet it with. The result is, through legislation, I consider that they are more or less ruined.

Railways as producing industries.

30,768. (*Mr. Giffen.*) Am I to understand that it is your opinion that a railway does not produce?—A railway is a common carrier, is it not?

30,769. Does it not, in the form of carrying, conduct a useful service to the community?—Would you call a shipper a producer?

30,770. I am speaking in the economic sense of the words; does not a railway produce something useful to the community?—I should say it was a distributor or common carrier.

30,771. What is the difference between the owner of a mine who brings up coal from under the service of the ground to the surface, and the railway which carries the coal from the pit's mouth to the place where it is consumed. What is the difference in the nature of the services rendered by the mine and by the railway company?—They seem a good deal the same, and perhaps you have noticed that there is a very great agitation from agriculturists and mine owners against the railways and their rates, and if they are successful, do you think the railways will then carry on their business at a profit?

30,772. Then, in the sense in which we are now using the words, the railway, although you call it a carrying industry, is also a producing industry, is that so?—I stick to it, it is a carrier, a common carrier as termed by the Act.

The commercial community and bimetallism.

30,773. (*Mr. Dalton.*) Do you think that the great majority of the commercial community are in favour of bimetallism?—I think the numbers in favour of it are growing day by day.

30,774. I want to know, do you think the majority are in favour of it, because I understood you to say that it is the persons with fixed incomes who are against it, and not the commercial community themselves; do you think the majority of the commercial community are against it at the present time?—You see that is a very general question, and I have not polled them.

30,775. Take most business men?—Business men, I say, are daily and weekly becoming converts to the idea; they dislike the appreciation of debts and they dislike the idea of England losing its trade owing to the competition of silver standard countries.

Stability of prices.

30,776. (*Sir Nigel Kingscote.*) I think, in answer to Mr. Everett, you said what you would like to see would be a constant price, as I take it in the sense of a non-fluctuating price; but how are you going to arrive at that?—Of course prices do fluctuate a great deal.

30,777. Yes; but is it not a case of supply and demand very often that regulates prices; how are you to have a constant non-fluctuating price?—Of course, if you have a gold standard of value, it seems to me that prices are more likely to vary than if you have gold and silver in conjunction, because the proportion between the volume of the two metals and of all other commodities would vary less. If you say that gold alone is to commodities as 100 to 1,000, but gold and silver

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together as 140 to 1,000, the proportion between a larger sum like 140 and commodities represented by 1,000 is less liable to fluctuate than that between 100 and 1,000.

30,778. You would have to keep your gold and silver equal in value, would you not?—We think with free mints and free coinage the ratio would be maintained as it was in years gone by.

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The witness withdrew.

Adjourned to to-morrow at 12 o'clock.

Fifty-third Day.

Friday, 13th July, 1894.

PRESENT:

The Right Hon. GEORGE JOHN SHAW-LEFEVRE, M.P., in the Chair.

Viscount Cobham.
The Right Hon. Henry Chaplin, M.P.
Sir Robert Nigel Fitzhardinge Kingscote, K.C.B.
Robert Giffen, Esq., C.B.
Charles Isaac Elton, Esq., Q.C.
Captain Owen Thomas.
Cornelius Neale Dalton, Esq., C.B.
Robert Lacey Everett, Esq., M.P.
John Gilmour, Esq.
George Lambert, Esq., M.P.
William Cutlack Little, Esq.
Charles Whitehead, Esq., F.L.S.

Herbert Lyon, Esq., *Secretary.*
R. F. Crawford, Esq., *Assistant Secretary.*

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Mr. William Mitchell Acworth called and examined.

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30,779. (*Chairman.*) I believe you are a barrister practising before the Parliamentary Committees, and that you have made a special study of railway questions?—Yes.

30,780. I think you gave evidence before the Railway Rates Committee?—I did.

30,781. I think you are at present acting as the Secretary to the English section of the Permanent Commission of the International Railway Congress, which, at its meeting in London in 1895, is to discuss the question: "In the case of light railways, what "regulations can be made by the government in its "normal requirements for constructing and working "without risking the public safety"?—Yes.

Light railways for agricultural produce.

30,782. Have you formed an opinion as to the importance of light railways for the agricultural interest and for the extension of the system into rural districts?—Without speaking in any way as an authority on agriculture, I can conceive no circumstances which would prevent light railways being in England the advantage to agricultural interests that they confessedly are on the Continent.

30,783. Can you state from your own experience that the extension of the light railways has been considered of very great importance to the agricultural interest on the Continent?—I think there is no question of that. Practically every country in Europe at the present moment, with the exception of England, is doing all it can to develop light railways, and it is commonly put that it is specially for the benefit of agriculture that this is done. I have here an extract from a letter sent by the Belgian Minister of Agriculture and Public Works to the Governors of the various provinces of the kingdom, enclosing a circular issued by the National Light Railway Society. That society is nominally a private company, but practically it is entirely controlled by the Belgian Government. It is called a society, and it is formed, I imagine, under what would correspond to a Private Act of Parliament, but for practical purposes it is entirely under the control of the Government. The Minister forwards a circular from them, and this is a part of his covering letter:—"I beg to direct your "special attention to the exceptional importance of the "work that the National Society is charged to conduct "to a successful end, and to the great services which "it can render to the country. The society comes, at "the precise moment in the middle of the serious crisis "which weighs upon agriculture, industry, and "commerce, in a word, on all the sources of the "prosperity and wealth of the nation. It will be able "to contribute largely to diminish the intensity of the "crisis, if it is well understood, and wisely made use "of. The Government will do everything in its power "to encourage the construction of these new methods "of communication." The date of that, I should say, is September 1885. Then the circular of the Light Railway Society which is covered by that letter is a long circular, but the point that is germane at the present moment is this: "For years past the spirit of "enterprise and progress has directed itself almost "exclusively to the extension and improvement of "main lines of railway. It is true that the number "of roads and canals has been increased, and that "their construction has been improved, but there have "been no changes, or almost none, in the manner in "which traffic is conducted on these lines of com-"munication. Old-fashioned waggons continue to "travel on the high roads, and whereas the price of "carriage for long distances has enormously decreased, "it costs as much, if not more, than it did half a "century back to cart a load of wheat. It is the "function of light railways to improve this state of "things. Constructed, as a general rule, on the "existing roads"—that is, of course, speaking of the Belgian practice only—"and in consequence, more "economically than main railway lines, operated with "the utmost economy and by means of cheap rolling "stock, they will furnish the people with the means of "transporting their products at the lowest possible "price. By means of their junctions with the main "railway lines, they will render access to them more "convenient, both for passengers and for goods. They "will assist communication from village to village, "and from the village to the adjacent station. They "will call into being new industries, and increase the "prosperity of existing industries by affording them "new outlets for their products. Finally, they will "enable the farmer to procure at a cheap rate the "fertilisers necessary to enable him to face foreign "competition, and by the low cost of carriage will open "to him the markets of his own country as well as "those abroad. For many places deprived, as it "seemed, for all time of railway communication, these "light railways will furnish an opportunity unhoped "for, and possibly the last, of escaping from their "fatal position of isolation." I think that fairly puts the case.

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30,784. That fairly puts the argument from the agricultural point of view in favour of light railways?—That puts what I should think might fairly be said to be the accepted view of authorities in foreign countries. I might perhaps supplement that by a statement which was made about 2½ years ago by the Prussian Minister of Public Works. On moving the third reading of the Light Railway Law (Kleinbahnen-Gesetz) in the Prussian Parliament in the Session of 1892 he used these words:—"Elsewhere the construction and working of similar light railways have proved a blessing to the country. A traveller to-day through North Italy, through Belgium, and through Holland can satisfy himself what a blessing these light railways have been. It is as though irrigation canals had been carried through the fields, and everything was growing and flourishing under their fertilizing streams. In North Italy, in particular, the blessing which they bring with them is so obvious that even the casual tourist can hardly fail to notice it." Of course that can only be spoken of an agricultural district; in Lombardy it is not a question of mineral products or anything of that kind, but is purely one of agriculture.

30,785. Can you state that almost everywhere throughout Europe there has been a movement in this direction, and that light railways have been promoted and fostered by various Governments?—There is no question that the English is the only Government in Europe which has not actually spent out-of-pocket money in encouraging light railways, which—apart from the further question of giving facilities for their construction—has not actually invested capital in them.

30,786. Is it the same case with France?—France has invested a very large capital in them.

Light railways in France.

30,787. Is that on the part of the State or through societies?—The money is mainly found by the State. A part of it is found usually by the departments, but the bulk of it is, I think, always found by the State, and then the lines are handed over to companies to work.

30,788. You said partly by the departments; are contributions made by the departmental authorities?—I think it is always the Conseil Général of the department that votes the money; I think so.

30,789. Then the capital has not been provided by private associations, but the light railways, when constructed, have been leased or hired by associations; is that so?—There have been various stages of the French arrangements, but as a rule the *entrepreneur*—the individual or company, that is, which undertakes to work the line—usually finds a certain sum per kilometre of line—I imagine not much more on an average than is sufficient to equip the line with rolling stock, but he is generally required to find something. Undoubtedly, it would be correct to say the bulk of the capital has been found by the public authorities.

30,790. Is it the case generally in the other States that you have mentioned, that the bulk of the capital has been found partly by the Governments and partly by the local authorities?—In Holland, I believe the great bulk of the money is found by private enterprise, but I think that is the only country. In Belgium, for instance, the State and the province each find about 28 per cent., or something of that kind; that would make 56 or 55 per cent.; another 40 per cent., on the average, is found by the communes directly affected by the line, and something like 5 per cent. is contributed by private persons.

30,791. Then these various Governments have found it expedient to make large contributions without any prospect of return, I presume, in the shape of interest on their money?—I do not know that it would be quite fair to say that. They have not got much in many places. France has got almost no return on its capital, but the Belgian Light Railway Society, of which, as I say, the bulk of the capital is found by the State, is at present paying something like 3 per cent. I believe—it is very near 3 per cent. When you say "Government," Government, of course, will be understood in the broader sense to mean not necessarily the National Government, but the public authorities.

Nature of working light railways.

30,792. Including the local authorities. Will you explain what is the nature of these light railways; how far they are actually extensions of the existing main lines, or whether they are wholly dissociated from the existing main lines?—I think the great bulk of them have a connection; that is to say, run into a main line station.

30,793. Are they of the same gauge as the main lines?—You cannot generalise on that point. In Belgium and Holland I think, as a rule, they are almost always metre gauge. Undoubtedly the tendency of foreign engineers is to go for the narrow gauge.

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30,794. That is to say, a narrower gauge than the main lines?—Yes.

30,795. In spite of the necessity that would follow of trans-shipment?—Yes. Of course if one were asked to apply that to England, you would have to remember that, in the first place, labour is more expensive here, and therefore trans-shipment costs more; and, in the second place, all our English ideas are conceived on the basis of great speed, and the question of breaking bulk affects speed more than almost anything. So there is no doubt the English opinion is almost universally against the break of gauge, but the Continent has certainly gone the other way.

30,796. Are they worked always by steam, or are they worked sometimes by horse-power?—I do not know anything would be called a railway which was not worked by mechanical power. Of course electricity is coming in.

30,797. In the case of France, are these light railways of a different gauge generally?—I do not think I can speak at all as to what the prevalent practice in France is. I would not like to say on which side the average lay. There is no doubt there are many of both kinds.

Light railways in the United States.

30,798. What is the case in the United States?—It is hardly possible to answer the question as to the United States for this reason: that practically everybody there makes a railway up to the standard that he thinks proper. You have no Government regulation, and therefore there is no necessity to conform to a certain standard; you lay a railway down along the grass, and the question is not raised of whether it has reached A standard, or B standard, or C standard. They are always of the normal gauge.

30,799. Always of the normal gauge?—Practically.

30,800. Is that by law or by the general concurrence of opinion, because you said just now that everybody was allowed to make what kind of railway he thought fit?—It is the result of the experience of the public and the engineering profession. No one now thinks of making a railway of any except normal gauge. Of course the Commission will know that in early days there were various gauges. The Denver and Rio Grande was made originally on a narrow gauge. The Grand Trunk, on the other hand, was made on the broad gauge, but all the important railways have now been brought to normal gauge, and I think a proposal to make a narrow gauge line, except under quite special circumstances, in America would be scouted.

30,801. Are they made on the roads, or by the side of the roads, in the United States?—Practically, all over the country, every railway there crosses roads in all directions. I mean crosses them on the level; the main line of the North-Western, for instance, would run across the streets of Stafford if it were in America.

30,802. But you would hardly take your illustrations from America?—No, I think not.

30,803. Now reverting again to the Continent, are these light railways made on the roads, or by the side of the roads?—Might I describe, for example, a Belgian railway?

Light railways in Belgium.

30,804. Yes, if you please?—I have here a map, with a timetable annexed, showing all the light railways in Belgium. I think it will show the extent to which the system has been carried (*handing in map*). You will see how they are spread in all parts of the country. The ordinary railways are shown there by light lines, and you will see how there are ganglia of light railways round various points.

30,805. Are these thin lines the main lines, and those black ones the light railways?—The thin lines are the normal lines—the main arteries of the country; the black lines are those belonging to the National Society for Light Railways, whose timetables are given on this sheet.

30,806. Do these constitute the whole of the light railways in Belgium, or is this a map of only one light railway?—They all belong to the same society, I think; as far as I know, that shows all the light railways in Belgium.

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30,807. (*Mr. Little.*) The National Society has a monopoly, has it not?—The legal position is that they have the refusal of a line. If a line is sanctioned and they refuse to take it up, then it is possible for other persons to proceed with its construction and subsequently to open and work it, but they always have the refusal first.

30,808. (*Chairman.*) This map that you have laid before us hardly bears out, I think, your statement as to the great extension of the system in rural districts. These black lines seem to be in the main connections from the principal towns with the immediate country districts round them, more like tramway lines, something rather in that direction; they do not seem to me to go from the country stations into the rural districts immediately adjoining them; perhaps, I may be wrong in that, but if one were to look generally at the map one would say that, I think. The map given in the Consular Reports shows that rather better; on that map they would seem to be mainly running out from towns like Brussels, Antwerp, and Charleroi?—There are a very large number of them in Western Flanders. Here is, for instance, Ostend to Blankenberghe along the coast and down south to Nieuport, Furnes, and Ypres. All these are purely agricultural districts; it is a very populous wealthy agricultural district undoubtedly.

30,809. (*Mr. Elton.*) Ostend is a sea-bathing place, and people would go from Blankenberghe to Ostend for pleasure perhaps?—That would be so.

30,810. (*Chairman.*) It would seem to me on the first look of the thing that these railways run mainly from the larger centres of population into the districts immediately adjoining them rather than being a means of communication between the purely rural districts and the stations on the main railway lines, so to speak; however, you say there are a considerable number of communications with purely rural districts?—I should have said that a typical corresponding instance would be found if you carried lines up the Yorkshire Dales, up beyond Richmond and places like that, which are the local market towns; or if you had similar lines in the Devonshire valleys.

30,811. Would an extension of railways in Essex and Suffolk—purely rural districts—correspond with what has been done in Belgium?—I think so; if the line came into the local market town along what probably would be the main turnpike road. That would be my idea of the correspondence.

30,812. Now, as regards the formation of these light railways along the roads; what have you to tell us?—I will take Belgium, with the understanding that from the fact that Belgium and Holland is very flat country, and that practically all the roads consist of a paved centre with wide places on each side, where it is very convenient to lay a railway, and that accordingly their light railways are mostly laid along the main roads. I do not think that would be true of other countries. With that proviso I think a description of Belgium would be fair as a description for any of them. With respect to gauge I have already said that I do not think you can lay down any general rule, but there is no doubt that the general continental tendency is in the direction of a narrower gauge.

30,813. Am I to understand that in Belgium these light railways are mainly laid on the sides of the roads?—The Belgian arrangement, wherever I have seen it, is this: supposing a road goes round, or the road is too narrow, they will cut off the corner by buying land of their own, but as a rule you have a road which is perhaps 50 feet wide, and in the middle of it there is a bricked space, 20 feet wide or 30 feet wide—20 feet wide probably—on which the ordinary traffic works, and on both sides of that there are wide spaces, and on one of these the railway, which, of course is only a single line, is put in; sometimes it is raised an inch or two above the road level as it were, and sometimes it is quite on a level. That is where you are in the country. When you come into a town or into a village they simply go down the main street without any hesitation or consideration. They run in many instances within 18 inches or 2 feet of a front door. In one place in particular, at a town with some 4,000 people—quite a considerable town, Furnes—the town was here and the railway station there (illustrating). There was a main line passing through, and the local line had to go off from it in this direction; instead of starting from the main line station here, the light railway quite deliberately started there; it made a circuit in order to go through the heart of the market place, passed the front door of the Town Hall, came down the main street again, and then it set off on its journey in this direction. This being a train of an engine and four or five coaches—tramcars rather—it was deliberately carried right through the middle of the town, past the front door of the Town Hall.

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30,814. I suppose in that case the rails were laid like the tramway rails, level with the road, so as not to be an obstruction to the other traffic?—I think, if they had existed in England, every local authority along the line would have said they were an obstruction. They certainly were not the complicated double grooved rails that we have for tramways here. The Company are bound, of course, by law not to leave their rails to be an obstruction, but the authorities are evidently very much more lenient than they would be here.

30,815. Then I gather from that that public opinion is very favourable to that, and would stand a good deal in the way of obstruction, which they perhaps might not do here?—They quite appreciate that this railway is better than none, and that this is the only class of railway they can possibly get. Then signals practically do not exist; there may be a rudimentary arm put up by a man on the ground at the moment a train is approaching, but anything of the nature of interlocking signals and signal boxes, such as is thought essential here, they have never heard of.

Speed of Belgian light railways.

30,816. Then with regard to pace, is there any regulation as to speed?—If I give the Belgian speed, it will, I think, be as low as any, because, as I say, their lines are mainly on the public roads, and they get higher speeds elsewhere. The Belgian regulations are 18 miles an hour on the road, six miles an hour in passing through a town, and three miles an hour in passing over the moveable bridges on the canals and the rivers. Of course I need hardly say that, as you are on the road to start with, in crossing a road you have no expenditure for making bridges over or anything of that kind. You have no gates with gatekeepers to watch them and interlocked with a signal box some distance off, or anything of that kind; you merely cross the road as if it were a tramcar passing along the head of the street.

Purchase of land for light railways.

30,817. I think you said just now that occasionally they had to buy land for the purpose of making the line; I suppose that is where the road is very narrow, and it is necessary to enlarge it. Are there any special facilities given for the purchase of land under those conditions?—I am not sure that I can answer the question off-hand as to Belgium.

30,818. Perhaps you can supply the information?—Certainly. I have no doubt I have it. I find the fact to be that the *Société Nationale* is given "where "necessary, authority to exercise compulsory powers "in conformity with the laws dealing with expropria-"tion for public uses." What the procedure under these laws is I cannot say.

30,819. Of course in this country the purchase of any land under the existing law compulsorily would be a very difficult operation?—Yes.

30,820. One would especially desire to know whether any special facilities are given by the Governments like the Government of Belgium for the purpose of acquiring the bits of land which may be necessary to facilitate the laying of these lines?—I do not know of any. I do know that in the case of the French light railways, which are mostly not on the roads, they say that one of the reasons for their great cost is that the local authorities have a right of veto, and can refuse to allow the line to be made unless they approve of it; and I know also that in France, where, as I have said, they are not laid on the roads much, one of the main causes of the expense of these light railways is said to have been that the peasants acting as jurymen award each other fancy compensation at the expense of the general Government.

30,821. You said just now that in France these railways are for the most part not laid along the roads?—That is so, to the best of my knowledge.

30,822. In that case they have to buy land for the purpose?—Yes.

30,823. With the necessity of compensation for the purchase of land and probably for severance too?—Yes; of course it being always remembered that they pay undoubtedly high in France, as I gather. But

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then it is always to be remembered that if the public opinion of the neighbourhood be very strongly in favour of the railway—as I think it is in the case of light railways—it tends to keep down the standard of compensation.

30,824. In spite of that, these juries of peasant proprietors sometimes award themselves fancy compensation, you say?—I have seen that stated in France, but I have not seen it stated of other countries. I should like, if you ask for information on that, to be allowed to supply it later.

st of nstruction light ilways.

30,825. Can you give any information as to the cost of the lines?—May I just continue on the point of the method of construction? I think there is one further point, which is the question of stations. Of course the Commission will remember that platforms are unknown in any other country in the world; practically, a platform means a thing about the height of the pavement anywhere else, and even that does not exist on these light railways. The station consists of a notice outside a public-house very often, or outside a little house on the roadside that this is a station of the train, or a station of the railway as they may happen to call it, and you will sometimes see a little glass apron put up with a bench underneath, and there the people sit and wait for the train. There is no expense whatever incurred for station or station staff of any kind. It is possible that the keeper of the public-house may be paid some fractional sum, some perfectly trifling weekly sum for giving notice of the approach of the trains, and that kind of thing, but there is practically no expenditure for station or station staff.

30,826. How are the tickets given out?—At terminal stations very often there is a ticket office, but I think the guard always issues tickets on the train; I think they always are obtainable on the train.

Working of ight rail- ways in Belgium.

30,827. (*Viscount Cobham.*) Do the trains only stop at the stations, or do they pick up traffic at any point?—You will find a good many sidings. As a rule the Belgian people work a passenger service, and they only stop at fixed stations; they do not stop at intermediate points; but going along the line you will constantly see sidings laid in. They work a goods train through morning or evening, or something of that kind, and then they no doubt pick up. I do not know whether your lordship was meaning actual loading on the rails.

30,828. They would not do that?—I have never seen that happen.

30,829. They do not pick up traffic at places other than sidings or stations?—That is so.

30,830. (*Chairman.*) In purely rural districts how often do they run the trains?—I should think seven times a day would be something like the average, which, of course, is a very much better service than is given on many of the ordinary railways in England in the agricultural districts.

30,831. Is there one line of railway?—Always, I think.

30,832. Only one?—I never saw anything but one.

30,853. (*Viscount Cobham.*) With that good service of trains they must rely mainly on passengers; for agricultural produce would not require such a service as that?—That is so. Of course they do get a good many passengers, and they can afford to work at a very cheap rate. By keeping down their expenses in every direction they work at a rate per mile of which we have no conception here. They can afford to run a train comfortably, you may say, for 7*d.* or 8*d.* a mile.

30,834. (*Mr. Gilmour.*) Is that seven trains each way?—Yes: I think you will find that is something like the average.

30,835. (*Viscount Cobham.*) Between five and seven, is it not; there are a good many with only five, I think?—Yes; and, on the other hand, there are many with more. To continue with the method of working. The Belgian railways in no case seem to have continuous brakes. I have heard it said that they are desirable, but they are not apparently found necessary; so that you have these trains running along the road at 18 miles an hour, without a continuous brake, and without any signals.

30,836. (*Mr. Dalton.*) Do they run at night, or by day only?—Yes, they run by night. I do not mean a night service, of course; but they must run after dark. Then about mixed trains, which of course has been a question here very much. Practically they always take perishable produce if it is offered on the passenger trains; and there is no objection made whatever to mixed trains. You may say that all over Europe in the country districts there is no objection whatever taken to mixed trains. Anything like the Board of Trade objections here on the Highland and Cambrian could not exist in any other country; in a country, for instance, like Hungary, which corresponds with Wales in that respect, the trains are nearly all mixed. If there is any exception it would be one express train a day; but the normal idea is that a train will be mixed. They always make arrangements by which the staff can go through the train so that the tickets may be collected, and the thing may be controlled *en route*.

30,837. (*Viscount Cobham.*) They have no staff except at terminal stations, have they?—You will sometimes find a man at an important intermediate point, say, for example, if the light railway makes an intermediate connexion with a main line, or if it crosses swing bridges over waterways on which there is much barge traffic, but as a rule there is no staff.

30,838. Except the travelling staff?—There is no staff except the travelling staff, and that is kept down to the lowest possible point. In Holland they often do without a fireman, there is nobody but a driver on the engine, and there is one conductor. I heard within the last few days from a German official that they have got some light railways in the Island of Rügen, and they have gone so far that they have dispensed with everybody except the driver and the fireman. The driver collects the tickets, and they find it works quite satisfactorily.

30,839. Still, they have two men there?—No doubt they have a second man on the engine. They have dispensed with the guard. The objection, of course, to leaving out a fireman is, that supposing the driver dropped off, or anything happened to him, there would then be no one to take his place, so they always have an arrangement by which, if they abandon the fireman, then the guard can get on to the engine whilst it is travelling, if necessary.

30,840. (*Mr. Whitehead.*) Who puts in and takes out the goods at the various stations, the fruit produce, &c.?—No doubt the train staff help the man who brings it down, that is what it comes to; they either find a truck ready loaded for them on a siding, which they pick up, or, if the man is there with his cart, the man with the cart and the men with the train do the work between them.

30,841. (*Chairman.*) Is there any arrangement for the transfer of the trucks to the main line by an alteration of the wheels?—A good deal of attention has been directed lately to some of the Saxon lines which are said to do that very successfully. They have an arrangement by which you can mount a broad gauge truck on a cradle running on narrow gauge wheels, and in that way they send the broad gauge trucks down the narrow gauge line, but I think, certainly, the common arrangement is that the load is transhipped.

30,842. Take, for instance, the conveyance of coal, which would be very important for some districts. If there is no arrangement of that kind it would necessitate transhipment?—Yes, undoubtedly, it would be shot from a higher level to a lower level as it is of course coming out of a colliery into the ordinary trucks now. It would be the same process reversed.

30,843. (*Viscount Cobham.*) What is the usual weight of the truck load?—The Belgian ones hold as much as ours; they are very long and very wide for their gauge, they overhang, I mean to say, a great deal more than ours do, and they hold 10 kilometric tons.

30,844. (*Chairman.*) I suppose these trains stop at every village?—They seem to stop everywhere where there is any chance of traffic. At what looks like a cross road, or some important crossing, you may be pretty sure to see put up a signboard, "Railway stops."

30,845. Would they stop at a farm-house on the way for the purpose of taking the produce or no?—I think not in the case of a passenger train.

30,846. I thought you said the trains were mixed—passenger and goods?—Yes; but I think if a man wanted to send his basket of eggs he would have to

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carry it to the nearest stopping place; that is my impression.

Cost of construction of light railways.

30,847. Then, with regard to the cost, what have you to say?—I should think if you were to generalise all Europe you would probably arrive at something like 4,000*l.* a mile, certainly under 5,000*l.*, I think.

30,848. Is it much less where they make them along the road?—That is rather a difficult question to answer.

30,849. (*Viscount Cobham.*) Do you know the cost in Belgium?—I think I have it here.

30,850. (*Chairman.*) Of course it must make a considerable difference whether they have to buy the land or not?—I think a great deal of land must be either given, or given on very favourable terms. Of course, the whole of public opinion is "let us get the line," and I think everybody is inclined to help it. I think that has to be borne in mind.

30,851. (*Mr. Dalton.*) Is the 4,000*l.* merely for the laying of the line, or does it include the stock as well?—It is including the stock. I have it here on the authority of Rölls' "Railway Encyclopedia," which endeavours to summarise the thing, that a line of local railway of normal gauge costs 4,400*l.*, including rolling stock. If you bring that down to the narrow guage the continental engineers say they can make it from 20 to 25 per cent. cheaper. Of course, English engineers would say you could not make it any cheaper to the same standard.

30,852. (*Viscount Cobham.*) I should think it must be lower than that in Belgium, where they have a level country, and run entirely upon existing roads?—I think so, undoubtedly. I see my note here is that if the railway be built as a tramway, running alongside the road, the figures can be brought down to not much more than half. I think you may safely say the Belgian ones are under 3,000*l.* a mile.

30,853. (*Chairman.*) I think in France, besides these light railways, there are correspondences with every village, are there not? There are a kind of coaches or conveyances maintained by the departments in connexion with almost every village; is that not so?—Are you speaking of conveyances other than railways altogether?

30,854. (*Mr. Lambert.*) The diligence?—It would be the diligence practically, or something of that kind, would it not?

30,855. (*Chairman.*) Yes, promoted by the State?—I always thought those were subsidised for the mails, but I do not know. They certainly do exist; one knows that.

Light railways in Germany.

30,856. As regards light railways of the German Railway Union, which is the next item in your brief. Is that a society independent of the existing companies—of the main lines?—If they were not State railways mainly instead of companies' railways, you might say they were light lines belonging to existing big companies. There are a certain number of them; about 400 miles of what may be fairly termed light railways belonging to the State or to the big companies, I suppose would be the best way of putting it. Out of those 400 miles 50 are on the public roads, and the rest apparently on private land. Of the 13, one is passenger only, one is goods only, and 11 carry both. Their gauges vary between 30 inches and 44 inches.

30,857. As compared with the gauge for the main lines?—Which is 56½ inches. The steepest gradient is 1 in 25; the sharpest curve is one chain. Practically our Board of Trade objects to anything less than 10 chains, unless exceptional precautions are taken. They run in the year 1,500,000 train miles, which is equivalent to 10 miles per mile of line per diem, that is to say, five trains each way. The average train is over 10 vehicles in length, and the capital is equal to 5,600*l.* per mile. I suppose it would be safe to say that the light railways belonging to existing companies are likely to be a little more elaborate, a little more important, than those which they have not thought it necessary to construct, and that would account for the capital being pretty high. The gross receipts are equal to 8*l.* per mile per week, and the working expenses are about 71 per cent., which leaves an interest on capital of about 2 per cent.

30,858. Have these light railways tended to promote local industries?—I think that is undoubtedly the tendency of the evidence. It is always spoken of as a question not only for agriculture, but for enabling mills, for instance, that are located in the country to stand the competition of the great centres.

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30,859. And therefore to prevent the concentration in the big towns. It has rather acted as a contrary force?—I have not seen it put from that point of view, but I have no doubt that would be the effect.

Difficulty of constructing light railways in England.

30,860. Now, will you state what are the difficulties in the way of establishing those light railways in England?—At present the thing is entirely impossible. If anybody were to attempt to establish a railway of this kind in England at the present moment, he would have to spend a great many thousand pounds in fighting through the House of Commons as a private Bill what would be really a Light Railway Clauses Consolidation Act; that is what it would come to. He would have, on the individual points of each level crossing, and each occasion of doing without signals, and each occasion of doing without a platform, and so on, to fight it as a question of detail in his individual case.

30,861. Would it not be possible under the Tramways Act to construct these light lines?—There are two Acts under which it is theoretically possible. There is the Railway Regulation Act of 1868, which provides that a promoter may call his line a light railway, and then, in section 28, provides that "A light railway "shall be constructed and worked subject to such "conditions and regulations as the Board of Trade "may from time to time impose or make: provided "that (1) the regulations respecting the weight of "locomotive engines, carriages, and vehicles to be "used on such railway shall not authorise a greater "weight than eight tons to be brought upon the rails "by any one pair of wheels: (2) the regulations "respecting the speed of trains shall not authorise a "rate of speed exceeding at any time twenty-five miles "per hour." The Board of Trade never have made any general regulations under this Act. There have been attempts to induce the Board of Trade to modify its normal requirements in individual instances, but they have practically come to nothing. There is a very small railway opened, I do not know whether the Commission have heard of it, in the last week or two, the Lee-on-the-Solent. It is a little thing about three miles long, and runs down behind the forts at Gosport to the Solent. The only thing which the Board of Trade practically has done for them is to limit their speed to 10 miles an hour. Because they are a light railway, therefore the Board of Trade limits their speed; but it has insisted that they shall be an ordinary railway for every other purpose. The only exception is that they have not got platforms at the intermediate stopping places. They have been compelled to interlock their points, and all that; they have gatekeepers' houses, for example, at the crossing of the roads, which, of course, is a very serious expense. As far as any things of that kind go, the Board of Trade has insisted upon treating them as a normal railway. So there is no possible gain to a promoter to call his line a light railway; he only obtains the benefit of extra restrictions.

30,862. (*Viscount Cobham.*) Does he escape the passenger duty?—Practically they would not pay it because almost all their fares would be under a penny a mile, no doubt; but they would if there were any first-class passengers, certainly; and they are subject to all the ordinary requirements before opening the line for public traffic, which is really the onerous part.

30,863. (*Chairman.*) Is there a possibility under that Act, or under the Tramways Act, of their making their lines on the roadside waste by the side of the road?—Undoubtedly under the Tramways Act you can make a railway along the road, but I think it is practically impossible; in the first place, the Board of Trade restricts your speed to, I think, eight miles an hour.

30,864. But that is not a difficulty at law; that is a difficulty rather of administration by the Board of Trade, I presume; is there any possibility under the law as it now stands, subject of course to any regulations that the Board of Trade may make, of making such lines along the roadside waste or on the road?—The local authority in many cases has a veto, of course.

30,865. But that is not a legal disability?—No.

30,866. I understood you to say just now that it was practically impossible by law to make those railways; but the two main difficulties you have suggested so far are the difficulties raised by the Board of Trade, which of course they have it in their power to remit?—Yes.

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30,867. And subsequently the possibility that the local authority may interpose with its veto?—Yes. But, apart from this, the Tramway Acts do not give you compulsory powers, which is a very serious legal difficulty. You may find yourself in need of land, and you may have no means of getting it. I do not know that I ought to have put it so much as a legal difficulty as a practical difficulty. I think nobody would put money into an attempt to make an agricultural tramway along the roads in any ordinary circumstances. There is this very serious further difficulty; if you constitute yourself a tramway company you have no power to take terminals. You get a certain power to charge so much per mile. You bring traffic, we will say, six miles along your line at 2*d.* a mile, which gives you 1*s.* You have had the trouble of loading it into your truck, you run it into the station yard, and the railway company takes your traffic and has a right to charge your 1*s.* for terminals, which is a very serious practical difficulty.

30,868. I was responsible for the Tramways Act, but I cannot recollect whether under the Tramways Act you can carry goods as well as passengers?—Yes; I think there is no difficulty on that point; but the fact remained that the Tramways Act has been in existence so long, and there has been nothing done under it.

30,869. Of course it is important to discover whether the difficulties are difficulties which can only be removed by legislation, or whether they arise from the action of the Board of Trade, and of the local authorities?—Of course there is no doubt that the Board of Trade having exercised a discretion of limiting speed to anything like eight miles an hour, there is no question they will not, without the authority of an Act of Parliament, take it upon themselves to double that speed; there is no doubt that the Board of Trade cannot be expected in practice to do that.

30,870. At all events, assuming that it can be done, and could be done under the Tramways Act, that would only give power to use the public road?—Quite so.

30,871. When it comes to be a question of buying land for the purpose, either compulsorily or otherwise, it would be necessary to have a private Act?—Yes, undoubtedly.

30,872. And that would involve all the difficulties and all the expense of fighting it through Parliament?—Your scheme would be attacked by the opposition on the ground that it proposed a railway which was not a railway, and you really would not have a chance of getting it through a Private Bill Committee, I imagine, unless it were very strongly supported.

30,873. There is no reason to suppose that these light railways, made for the purpose of making communications between villages and the main lines, would meet with the opposition of the great railway companies, is there?—Provided that the new lines did not "short circuit," so to speak, the existing lines, I should think most railway companies would welcome them.

Light railways in Ireland.

30,874. Now, in the case of the recent Irish legislation, can you give the results of experience in that?—I did not know whether you wished to go into that. I only thought it right to put it on the proof.

30,875. Well, take it very generally, please?—There is no doubt, I suppose, that the local authorities in Ireland, who subscribed very largely under the Tramways Act of 1883 to support light railways, are very dissatisfied with the results. If they had the opportunity of reconsidering their guarantees, probably very few of them would give them. I thought it was right to mention the point lest one should seem to ignore it.

30,876. (*Mr. Chaplin.*) Which Act is it that you are referring to now; the Act of 1883?—The Tramways and Public Companies (Ireland) Act of 1883.

30,877. (*Chairman.*) And the Light Railways Act, 1889?—That was Mr. Balfour's Act. The Tramways and Public Companies Act developed a number of little local companies, independent of, and to a considerable extent, hostile to, the great companies; they were on a different gauge, and the great companies, I think one might say, treated them as step children; and certainly they do not run a very successful service. Then Mr. Balfour went back on that in the Act of 1889, and seeing the disadvantage of having these little companies managed by men naturally not of the first class—you cannot get a very first class manager to manage a petty local line on 100*l.* a year—and seeing the disadvantage of these small isolated lines, he was determined to bring the big companies into it, and accordingly he gave grants of money, in many cases, I believe, amounting nearly to the entire cost of the construction of the line, to the great companies, on the condition that when made they would work it.

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30,878. Have those light railways been made?—Mr. Balfour's lines are either just opened, or just about opening. I believe the longest of them, the Galway one, is nearly ready, and the Achill Island one is half done, and so on.

30,879. Those, I think, are really extensions of the existing lines; they are the same gauge, are they not?—Yes, the railways under the Act of 1883 were practically all narrow gauge. Lord Spencer, I believe, let it be known—at any rate it was understood to be the policy of the Government of the day—that they would not give the Government guarantee which came behind the local guarantee to any except a narrow gauge railway, and so, practically, they were all narrow gauge. There was a revulsion of feeling against that, and Mr. Balfour's lines are extensions of the existing lines on the normal gauge; except in one case in Donegal, where the new line is an extension of a previously existing narrow gauge system; it is, of course, carried on on the narrow gauge.

30,880. The main operations under the Act of 1890 have been extensions of existing lines, with the same guage, into rural districts?—Yes; practically extensions to the extreme west coast.

30,881. Then they are light railways mainly in the sense that they go either upon the public road or are worked in a somewhat cheaper way?—I gather things have been somewhat turned aside from their original idea. Mr. Balfour practically said, "You have got 40 "miles of line to make, and it will cost you, my "engineers say, 150,000*l.* I will give you the 150,000*l.*" "The Company took the money, and they said, "These "lines will not suit us, we should be subject to various "restrictions if we made them in that cheap form, we "will spend the extra 50,000*l.* ourselves to bring them "up to a better standard." I believe that is what has really happened in a large number of cases.

30,882. Then practically it has come to this; that these operations are extensions of existing lines, and are not light railways in the sense in which you have been giving your evidence?—The difficulty, of course, is to say what is a light railway; really it is a negative term.

30,883. I rather gather from what you have just said, that the Government of the day determined that there should be these lines; that they were really to contribute what was the cost of the light railway; that then the railway company said, "No, give us the money, and we will extend our lines"?—Yes, that is, I believe, what happens.

30,884. So that practically the result is this, they are hardly light railways in the true sense of the term; they were extensions of the existing lines subject to all the conditions?—Yes.

30,885. (*Viscount Cobham.*) Were they under special conditions as to rates?—The statutory maximum rates are the same for all the Irish railways, including the lines sanctioned both under the 1883 and the 1889 Act. All the Irish railways undoubtedly came into the single schedule in 1892; the whole of the Irish railways were in one single schedule.

30,886. Do you mean those who are going to be opened immediately, those which are not opened yet, the subsidised lines?—I mean everything that was open in 1892, which certainly must have included a large number of the railways under the Act of 1883, if not any of the second set. All those were in the single schedule, and I feel sure no schedule has passed Parliament since.

30,887. (*Chairman.*) I suppose these extensions under the Act of 1889 have not been along the public roads, but have been like the main lines on purchased land?—I do not know; I have no doubt myself that they are on purchased land.

Failure of the Irish Tramways Act of 1883.

30,888. Then the experience of Ireland under the Act of 1883, which has been really in respect of light railways, has not been altogether satisfactory?—No. I do not think it could be said that they got good value for their money.

30,889. Can you give the reasons for that; why has that Act failed?—I should be inclined to say that the

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first Act failed because there was no security taken that the railways would be used as well as they might be used when they were made. As for the second Act, I should not like to say it had not been profitable to somebody.

30,890. I am not talking of the second Act of 1889, because it may have been extremely profitable to the railway companies?—I think that is at least arguable.

30,891. That they were relieved of the cost of making their branches in fact?—Yes.

30,892. I am now speaking of the experience under the Act of 1883, which was more in the nature of a system of light railways than the Act of 1889, was it not?—Yes.

30,893. Of course it would be well to ascertain what were the causes of the failure of that?—It seems to me that the main cause is, if one might put it so, the difference between what was done in Belgium, and what was done in Ireland. In Belgium you have a national company with experienced men at the head of affairs, controlling the whole thing, seeing that a proper train service is given; seeing that the rates are such as the traffic will go at; seeing that the contracts for supplies, and everything of that kind, are properly managed; you have a centralised system in the hands of capable persons. In the other case you left it to a number of local people in remote Irish country towns, with no experience whatever of railways, who could not be expected to manage the thing satisfactorily.

30,894. All the money was raised wholly by the guarantees of the local authorities, supplemented to some extent by a State guarantee?—The local authorities guaranteed 4 or 5 per cent. for 30 years, or in perpetuity—there are different forms,—and the State undertook, where it approved the line, to repay the local authority any money it had paid under that guarantee up to a certain point which was 2 per cent. on the capital.

30,895. Then you consider that if there is to be any extension of the system of light railways to this country, the Belgian system should be adopted rather than the Irish one, and that there should be something of a central association?—I would not, of course, say that in England the State would naturally take as prominent a part as it does in Belgium, where it owns the main railways, but, undoubtedly, if the thing is to be a success, each individual local line must have the advantage of first-class engineers, and first-class lawyers, and first-class traffic managers, without having to pay the price that it would have to pay if it engaged them for itself. That is what it seems to me it comes to.

Prospects of working light railways in England.

30,896. Do you think there are prospects of profit enough in England to make it pay, independently of State aid?—Judging from a few isolated instances I cannot help thinking that there must be a very great many places in England where you can put down a line which would earn 10*l.* a mile a week; 10*l.* a mile a week means 500*l.* a mile per annum; 4 per cent. on 5,000*l.* would be 200*l.*; that would leave 300*l.* per mile per annum for working expenses. I think if the line is satisfactorily worked, that is quite a possible estimate. Of course it is all a question of management. If, for example, an unfortunate little line is to be charged a fancy rent for the privilege of running into a main line station, you may eat up the receipts of 3 miles of line at once. The sum is so small that there is nothing to cut to waste in it; but I believe, if the thing is prudently managed, it could be quite well done for the money.

30,897. Do you consider, then, that if the legal facilities were given, and if the modifications of the restrictions now put by the Board of Trade could be carried out so as to enable these light railways to be made as cheaply as they could be made, there is a prospect that private enterprise would come in and make the lines, subject, of course, to a reasonable concession?—I think you have got to do another thing. I think you have got to get the opinion of the locality turned to believing that these railways ought to be encouraged; it seems to me that as long as you have the road authority insisting that you must not cross their road, except in a very complicated manner, and as long as you have the authority of the small towns through which you pass making objections, and as long as you have a landowner standing out for an exceptional price, if you want to cut off a corner through his land, and so on—as long as there is a sort of general feeling, why should we not have a first-class line, such as we are accustomed to, which goes through tunnels in order to avoid us, and so on—as long as you have that general feeling, I do not see how you can make the thing a success. You have got to convert the public, it seems to me, first, or, at least, concurrently.

30,898. Is it your idea that they should be in the main made on the roads, or along the side of the roads?—I should not like to express an opinion on that.

30,899. Of course, it would make an enormous difference in this country in the matter of expense?—It would have so much to depend upon circumstances. There are some districts where the roads are obviously not wide enough.

30,900. That, of course, might raise a question whether some simple easy method might not be devised of enlarging the road for the purpose?—Yes.

30,901. Where roads are wide enough, what do you say?—I expect, as a rule, in England we are too thickly settled to make it advantageous to go along the road; I expect there is more vehicular traffic, and especially carriage traffic here than there is in most other countries.

30,902. Then, of course, if you come to the purchase of land, and the alteration of gradients, the question arises whether it is not better on the whole to have an extension of the existing lines, and whether you do not come, therefore, to great expense?—I think the answer to that is that you cannot get the extension; I think you have got to the end, practically, of lines of the present standard in agricultural districts.

30,903. But then might arise the question whether the same course might not be pursued in England which has been pursued in Ireland, namely, of the State giving some inducement to railway companies to make these extensions. It seems to me that you have to make your choice between one or the other—either an extension of an existing system, doing it, of course, as cheaply as possible, but with possibly some subvention from the State; or of utilising the existing roads?—In the estimate I was suggesting just this moment, I was assuming 5,000*l.* a mile for the cost; and I think you may say that 5,000*l.* a mile ought to enable you not to use much road anyway. I think there can be no doubt that you ought to be able to make a line pay for which you have to buy land, provided you do not have to pay fancy prices, because, after all, the agricultural value of land is not a very great thing. If you suppose that your land is worth 50*l.* an acre, you will not want more than 7 acres per mile of line; that is a very liberal estimate for the amount of land you want for a mile of line of that kind, and that is only 350*l.*

30,904. The present moment, when we are informed that land is becoming so valueless in the east of England, would be a very good opportunity of trying experiments in this direction?—Of course, if you get your land for 10*l.*, it would be different. I think 50*l.* an acre would be a fair estimate for agricultural land in most cases.

Easingwold railway

30,905. What is the cost of the Easingwold Railway that you have mentioned in your proof?—The Easingwold Railway was rather interesting for this reason, that it is only 2 miles long, and it was made by private promoters. Easingwold is a large village of nearly 2,000 people.

30,906. Where is it?—About half-way between York and Thirsk. It lies on the old high road to the north, and the coaches, I believe, used to change horses there. When the railway came, the railway ran about two miles off through a little place called Alne, and the traffic of Easingwold was accommodated by one omnibus, which went backwards and forwards to and from Alne. The Easingwold Railway was opened in 1891. It earned, according to the Board of Trade returns for 1892, 1,300*l.* roughly, which, you may say, is 650*l.* a mile, which is over 12*l.* per mile per week. Instead of the one omnibus they have at the present moment running a service of something like a dozen passenger trains a day each way to and from the junction, so that the amount of passengers they have carried is quite enormous. They carried in the year 1892 42,000 passengers, the population of the place being well under 2,000, and over 12,000 tons of goods and minerals.

30,907. (*Mr. Giffen.*) How much did they earn for goods?—I am afraid I have not it here.

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30,908. (*Chairman.*) Is it a purely rural district?—I went to see the place, and I could see no trace of anything beyond a large country village. There was a smithy, and a village shop or two; but it was absolutely, as far as I could see, a country village, and no public institution, or anything of that kind, to account for exceptional traffic.

30,909. Is that a light railway in the sense that you speak of?—No.

30,910. Is it an extension of the existing railway?—Yes; the Board of Trade insisted on all the interlocking and everything else that would be required anywhere else.

30,911. That is really an extension of the existing main line?—It is a separate company, but works into the junction with the existing company.

30,912. Physically connected?—Yes.

30,913. (*Mr. Little.*) Does it run along the roads?—No, in every respect it is a normal railway; that, of course, is its difficulty—it has cost so much. I am afraid I have not the cost here, but it has cost so much that it is not likely to pay a reasonable dividend for some time to come; but if it could have been constructed in a more economical fashion, it would have made a very handsome profit for the promoters.

30,914. (*Chairman.*) Do you contemplate that there should be assistance given in the shape of guarantees by county councils for light railways?—Of course that is a large question, and I do not know that I have any special right to have an opinion on it. It does seem to me that these things anyway do not need a State guarantee; they, at least, do not need more than a county council guarantee.

Railway companies and light railways.

30,915. Do you think the principal railway companies would assist in facilitating the construction of these lines?—I think once the question was settled as a question of principle, they would. You have at present 20,000 miles of railway, which we will call Class A.; now, if you may construct railways of Class B. with a certain standard of construction, and appliances and methods of working which shall be very much more economical and simple than the existing ones—once you have a law to that effect passed, I think there is no doubt that you will have in all directions promoters coming to a railway company and saying: "Will you take up such and such a line," and I think the natural answer of the railway company will be: "Yes, get your Bill and we will give you a "working agreement which you can schedule to your "Bill," which is the common form now-a-days of getting a new railway made.

30,916. That seems to contemplate these railways being physically connected with the lines and really extensions of them?—I do not think the English railway companies would have much to say to them if they were not of the normal gauge.

30,917. If you are to expect assistance from the railway companies, it must be upon that understanding probably, that they are really extensions of the existing lines, although done in a cheaper way?—I should think that would be so. I am bound to say, however, that one of the leading authorities in this country said to me a few days ago that they ought unquestionably to be a narrow gauge, and when I asked him his reason, he said, "because we are so wedded in this country to "an extravagant method of construction, that unless "you break with your past altogether, you will have "the same extravagant system carried on to your new "lines," which is, of course, another point of view.

Opening for light railways in this country.

30,918. I presume you would say there is room for an enormous development of these light railways, and a possibility of a great expenditure of capital upon them?—I hear of a great many people who are anxious to put them forward. I keep on hearing of districts where people are inquiring whether it is possible to make a light railway, and so on.

30,919. But, looking at this country, in comparison with the other countries that you have mentioned, do you consider that there is a great opportunity for extension, and therefore the possibility of a great application of capital?—I think there is no doubt that there are many places in England very much further from a railway than they need be, which could afford the expense of a cheap railway but cannot afford the expense of a dear one.

30,920. And they would be a considerable advantage to the rural population?—I have no doubt of that in my own mind.

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30,921. And to the farmers?—Yes.

30,922. And it would give large employment for labour in the construction?—Undoubtedly, in the construction. I think there is no doubt there is a profitable opening for capital in the country on that class of work. On the point of the value—of what you may call the contributive value of a branch to the line that it joins—there are French figures which have been worked out extremely carefully which may be summarised in this way; on an average, if your new branch carries 1*l.* worth of traffic *gross*, it will contribute a *net* revenue of 28*s.* to the main line that it joins. Of course the traffic going 10 miles along the branch will probably go a very much longer distance over the main line. I have been able to get in England figures which in some degree confirm the French calculations, which are these: there is a little railway in Suffolk, the Southwold Railway, which runs down from Halesworth, which is a small market town, to the sea, 9 miles off. The receipts of that line in 1893 were 3,658*l.*; the value of the traffic contributed to the Great Eastern,—the amount, that is, which the traffic passing off the Southwold line through Halesworth Station, on to the Great Eastern, or *vice versâ*, paid to the Great Eastern Company—was 12,123*l.* Of course that is gross value, not net value; and, no doubt some part of it used to reach Halesworth Station by cart or by conveyance of some kind before the railway was made. But there is no doubt, making all possible deductions, the Southwold branch has been a very useful feeder to the Great Eastern main line. I find, as showing how the traffic grows, they used to have an omnibus once a day, but last year the trains carried 88,000 passengers. The line was opened in 1880, I think.

The Southwold Railway.

30,923. What is Halesworth?—It is a small market town of about 2,000 inhabitants, and Southwold is a little town that sometimes does a little fishing, and has a good many lodgers in the summer season.

30,924. (*Mr. Lambert.*) Is this a light railway or an ordinary railway?—It is narrow gauge, and the Board of Trade, I believe, at the present moment, are requiring it to adopt continuous brakes and other luxuries, and the railway company has adopted a policy of masterly inactivity, I am told.

30,925. (*Chairman.*) Is it worked independently of the main line?—Quite.

30,926. It is a separate company?—It is a separate company, worked independently.

30,927. Does it pay, do you know?—I think it pays its debentures, but it cost 77,000*l.* on paper, whereas it would have cost 40,000*l.* in sovereigns; that is what I am told.

30,928. (*Mr. Lambert.*) What is the amount that it earns as dividend?—That is to say, net revenue?

30,929. Yes, after the working expenses have been paid?—I am afraid I have not it down, but I have here the gross receipts, which are 3,600*l.*, and I think you may say it is 1,000*l.* or 1,200*l.*, or something like that, net.

30,930. (*Chairman.*) How many miles is it?—Nine.

30,931. And it cost, you say, 77,000*l.*?—Its capital is 77,000*l.*

30,932. (*Mr. Lambert.*) That is on paper, but in sovereigns it ought to have cost 40,000*l.*?—I am told that that would have been a fair cost for the construction. I think I may say that on the best authority there can be on the subject.

30,933. (*Chairman.*) Including the purchase of land?—Yes, that would include everything.

30,934. (*Mr. Lambert.*) What would be, under the new system, the probable cost; what ought the line to be made for?—I do not think you could have made it much cheaper than the 40,000 sovereigns. If it had been made at that price it would have been practically a profitable undertaking.

30,935. It would only have paid 3 per cent.?—Yes.

30,936. (*Mr. Dalton.*) Has it developed Southwold much; has Southwold grown?—I believe it has grown. It suffers, no doubt, as compared with the other watering places on the coast, from having a break o gauge, and therefore being less accessible.

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30,937. (*Mr. Lambert.*) But this is not agricultural traffic, this is purely pleasure traffic?—It has two or three intermediate stations. I suppose it has a certain amount of local traffic, presumably the great bulk is Southwold traffic.

Passenger traffic and light railways.

30,938. (*Viscount Cobham.*) These railways must depend, to a great extent, upon their passengers?—I should expect so in this country.

30,939. Therefore there should be a fair service of trains?—Yes. Belgium, for example, as compared with Ireland, impresses one with that, that the train service is so much larger. Of course Belgium is very much more thickly populated.

30,940. That being so there must be a very considerable passenger traffic to make it pay at all?—Either that or you must work your trains very cheaply. I saw a French light railway calculation not very long ago, in which—I think I am right in the figures—they calculated that it cost them 5*d.* a mile to put on a new train, and they could get 7*d.* out of it, and accordingly they put it on.

Light railways in Ireland.

30,941. Do you think that, under existing conditions, these Irish railways, even with the subsidies that they have received, could work their lines at a profit?—I should not like to say that. I do not think I know enough of local circumstances to justify me in saying so, but I am not surprised that they do not work them at a profit now.

30,942. Are they railways in the full sense of the term?—No, one is under the Act of 1883; they are the only ones I have practically seen, and they are narrow, mostly.

30,943. I think you said that the railway companies had made them practically part of their own system?—Those are the lines under the Act of 1889.

30,944. I am speaking of those?—They are not opened.

30,945. I am asking for a forecast; do you think, constructed and managed in the ordinary way, that these railways will be able to make a profit to the companies, even after the receipt of the large Government subsidy?—I could not say.

30,946. (*Chairman.*) I think you admitted here that they are not light railways in the sense you are recommending; that is what I gathered from you?—They evidently are lighter than the normal English railway, so to speak. Light railway does not denote anything positive; it denotes a reduction of the ordinary requirements, sometimes only a small reduction, sometimes a very large one, but anything between the two.

30,947. (*Viscount Cobham.*) In Ireland they have been constructed at a cheaper rate than the railways of the company?—Undoubtedly they have.

30,948. (*Chairman.*) From what you say, there is no evidence that these railways, made under the Act of 1889, were any cheaper than the main lines?—I think it is so; as a matter of fact, I have no doubt of it. They conform to the Board of Trade requirements undoubtedly.

Cost of construction of light railways.

30,949. (*Viscount Cobham.*) Do you think the cost must be restricted to a maximum of 5,000*l.* a mile if they are to pay—I am speaking now of England?—I would not like to say that, because supposing you got a working agreement from a great company, which it seems to me you might very fairly get, giving you a rebate on the traffic that you procured for them, you evidently could afford to spend more in capital; or if, again, you got an agreement to work at a very low percentage, you could afford to spend more. But it seems to me that it would be a reasonable sort of average to put, that you spend 5,000*l.* a mile, and that you earn 10*l.* a mile a week revenue capital. If you allow 60 per cent. for working expenses the remainder would give you 4 per cent. on your money. It seems to me that is a reasonable way to put it all round.

Rates for agricultural produce on light railways.

30,950. Have you calculated what should be, roughly speaking, the scale of rates for agricultural produce upon these railways?—I confess it seems to me there that all the continental evidence is that you must have a very much freer hand than the great railways have. It is a question of the price you can afford to take and the price it pays the farmer to pay. In some cases you probably would get very high rates, and in other cases you can afford to take low rates. If you have a company largely interested, not in making a dividend, but in developing the district, I do not think you would have any fear of having rates unfairly high. I do not think there is any chance of anybody going into this in order to make a very handsome profit.

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30,951. Do you count upon having, generally speaking, a lower scale of rates than the present scale of rates?—I should not like to say that. I do not think you can expect that if you are to have a short line of 6 or 7 miles which is to get no benefit from the 40 or 50 miles further that the traffic goes.

Passenger fares on light railways.

30,952. As to the passenger fares, would you leave that to be fixed separately for each light railway?—I should like to. It seems to me as long as the carrier is beaten, *pro tanto* the farmer who is carried or the farmer's wife gains. If you are going to have a strict Board of Trade schedule to start with, I do not think anybody will make the line unless the interest is guaranteed.

Connection of light railways with main lines.

30,953. As to the question of gauge, if one of these light railways runs to a place large enough to consume all the produce, there would be little necessity in that case, would there, of connecting with the main line, and the gauge may be any gauge that may be considered the most convenient. It is only when produce has to pass through, that the question of gauge becomes important; is that not so?—Yes, that is so, no doubt, theoretically; but would it be so practically? If a place is big enough to consume all the produce, is it not likely to have other railways, and will not people want to go through it, and so on?

30,954. Passengers?—Passengers and all kinds of things.

30,955. Of course you are then faced with the great expense of connecting up with an existing station—a large station probably—and that means additional cost?—Yes, of course if you are going to maintain the present arrangement of a signal-box at the station before you connect. I think you must do almost anything to avoid that arrangement.

30,956. Still, at the junction, of course, all the Board of Trade regulations must be strictly observed?—I am afraid there will not be many light railways then.

30,957. (*Chairman.*) If they are in physical connexion with the main line?—Yes.

30,958. The noble Lord was suggesting: Is it not an argument rather for making them of a much narrower gauge, so that there should not be all the difficulties of the physical connexion and the Board of Trade regulations?—My answer to his lordship would be that if this is the best thing you can do you must do it; but that the real thing to do, judging by the experience of every other country in the world, is to modify the Board of Trade regulations. Of course, if that cannot be done, the other may be the next best alternative.

30,959. (*Mr. Chaplin.*) Do you mean to say this, that you contemplate a junction with the main lines, and that the trains from the light railways are to use the main line without being subject to all the regulations at present in force?—I confess I do. I contemplate what happens in every other country in the world.

30,960. (*Viscount Cobham.*) Would it not be sufficient for your purpose if the train was run into a dock separate from the main line, so that there should be no fouling of the main line?—Of course I do not mean a railway coming on to the line anyhow. It is really a very technical point how the junction is to be made.

30,961. Of course in that case there is the question of land, and for that reason the extension of existing stations is often exceedingly difficult?—Yes, as your lordship knows much better than I do.

Light railways and accidents.

30,962. There is a very great regard for the sanctity of life in England; do you think there will be any appreciable increase in the number of accidents?—I was trying to find out about that. I travelled a good deal a few weeks back on the light railways in Belgium, and when we did run past people's front doors I inquired, and nobody seemed to think there was any practical risk. I find the International Railway Congress, which has discussed these subjects very often, has expressed quite strongly the opinion of different nations that the dangers do not occur. There is a formal resolution on their proceedings a year or two back, for example, that doing away with gates at level crossings is on the whole an advantage; that the gates cause more accidents than they cure. They may be biased, but as they are largely people working State railways, they cannot be supposed to have any private

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interest in dividend earning to conflict with their public duty to secure safety.

30,963. (*Mr. Chaplin.*) How would you keep stock off the lines, for instance?—I imagine to a considerable extent you do not keep them off. We are contemplating here trains weighing about as much as three heavy wagons, travelling, at perhaps, 18 miles an hour. If the cow does not get out of the way you stop. Of course the Board of Trade arrangements contemplate a train of 200 or 300 tons running at 50 or 60 miles an hour, and the cow cannot get out of the way, nor you stop, in that case.

30,964. You would be able to pull up with your light railway?—Yes.

30,965. Just like a carriage would?—Quite so; and you can pull up just as easily as you can pull up a brewer's dray. In some cases abroad they make the regulation that you must put fences if you are on the level of the surrounding country; if you are either above it or below it they do not require them; as a matter of fact they do run 18 miles an hour without any fence.

30,966. (*Chairman.*) Alongside the road?—Yes.

30,967. Can they run at that rate without danger of horses being frightened, and so forth?—I watched for a great many miles, and I passed a great many horses, carriage horses and horses of all kinds, I did not see anybody frightened. I suppose it would be just like bicycles; they would be frightened to start with, but they would get quite accustomed to it.

30,968. (*Mr. Dalton.*) They carry lights at dark, I suppose?—Yes.

30,969. (*Viscount Cobham.*) I should have thought in England, at least, there would be a good deal of infant mortality consequent upon this?—I asked that question. I said, "Will you not have a child running "out of the house and getting under the wheels?" and they said, "Well, no," and after all one does not see why they should get any more under the wheels of a train than under the wheels of an ordinary carriage.

Light railways on the Continent.

30,970. (*Mr. Whitehead.*) Is not one reason why light railways are necessary in the continental countries you have named, and that they have paid there, that the ground is not so covered with ordinary railways as in this country—speaking generally?—It is difficult to get precise figures, but my impression is, that, if you took off in each country the railways in purely mineral districts, if, for example, you took off the districts round Namur and Charleroi in Belgium, and took off Lancashire and similar districts in England, and compared agricultural district with agricultural district, you would find we have got certainly not more but rather less railways.

30,971. Rather less?—Rather less per square mile of agricultural country; we have less rather than more. That is my impression, but it is difficult to compare accurately.

30,972. Could you give any typical agricultural district which you think would be well served by a light railway in this country—is there any place that you could name?—Taking the valleys running up into Dartmoor, there is a railway at this moment which is promoting an Extension of Time Bill for a line from Exeter to Chagford; I do not suppose it will ever really be made on the normal standard, but I think it would be made very shortly if it could be done at half the price.

30,973. I am speaking from an agricultural point of view, and of a line applicable to farmers?—I was thinking of this as a farmers' line. There was a line suggested the other day, for example, across North Hampshire from Alton to Basingstoke—I should not like to say that I knew, of my own knowledge, any of these railways were the right place for an agricultural line, but I constantly hear suggestions for these railways. I was speaking to the engineer of the Lee-on-the-Solent Railway, who tells me that he has had, since his name has been in the newspapers in connection with that railway, because it is called a light railway, half-a-dozen applications from different people asking whether something cannot be done in their neighbourhood.

30,974. I think you said, in answer to the Chairman, that very few of the country roads in England would admit of a line being placed by the side?—I should not like to say I had any such knowledge as would entitle me to answer that question.

30,975. I think I may say as a fact they would not?—That is what the engineers tell me; they think it would evidently have to be bought land in England.

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30,976. In those circumstances you would have to go across the country and buy land as you could?—My own impression is that there is not a great field for railways along the road.

30,977. (*Viscount Cobham.*) But a strip along the side of the road would be much cheaper than a line going across the country?—You mean to widen the road and put the railway at the side.

30,978. Yes?—It seems to me that that is a question of detail for the individual case, and the individual part of the country—take Essex, for example.

30,979. (*Mr. Whitehead.*) In the case of the continental lines, I think that the greater part of them are carried along by the side of the existing roads—I think you said that?—I said so in Belgium and Holland.

30,980. Not in France?—I think not in France. The instance I gave in Germany was 50 miles on roads, and 350 miles off, in a particular group of lines.

30,981. I think you said the average cost of such continental light railways was 4,000*l.* a mile?—4,400*l.*, including rolling stock, if on bought land.

30,982. I understood that was the general average?—No, I think that was on bought land for the normal gauge.

30,983. Of course the circumstances are quite different in continental countries, at least in Belgium and Holland, because the roads have been levelled up specially for the purpose have they not—they have been made by the State?—These railways have been put on pre-existing roads, and the roads have not been much altered so far as I know.

30,984. You would not obtain those circumstances in this country?—Of course most of England is a much less flat country than Belgium, but I do see any very great difference, as far as the location of a line is concerned, between Essex and Flanders. However, I should not like to speak as an expert on that at all, it is really quite out of my beat.

Light railways and fences.

30,985. I think, in answer to Mr. Chaplin, you said you thought it did not matter that there should be no fences to these light railways, as there would be no great amount of danger to life or property in the shape of stock?—If you once admit that you can safely put them on the roads, it stands to reason that there cannot be any great risk in putting them on to the fields, where there are fewer people in the way than there are on the roads.

30,986. (*Mr. Chaplin.*) There are a great many more stock?—Undoubtedly; but I confess I do believe the cow gets out of the way, and if she does not, you stop.

30,987. (*Mr. Whitehead.*) In America they have what they call cow-catchers on the trains?—Always; of course they run everywhere in America night and day expresses at full speed without fences.

30,988. Do you think the Board of Trade would sanction that there should be no fences to these railways?—I think it is quite impossible to suppose that the Board of Trade will do anything except insist on theoretical perfection as long as the public opinion remains where it is. If there is an accident, public opinion says: "Why did not the Board of Trade insist on further precautions?" and as long as public opinion says that, and never says why do we not get cheaper railways, I do not think you can expect anything of the Board of Trade except what they are doing at present.

Receipts and working expenses of Easingwold Railway.

30,989. (*Mr. Giffen.*) With regard to the Easingwold Railway, I asked you the question what the receipts were from goods traffic, and I think you said that the traffic carried was 1,200 tons; was that not rather a slip? Your figure should have been 12,000 tons, should it not?—I think it is 12,000.

30,990. The receipts I find, from the Railway Return which I have got before me, were 600*l.*, which answers the question I put to you?—From goods?

30,991. From goods?—Then that would be roughly half and half.

30,992. Half and half; and that would be a rate of 1*s.* for goods for the 2 miles?—That would be probably on the average a terminal of 6*d.*, and another 6*d.* for the mileage rate, or something of that kind;

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there evidently must be a short distance clause or a terminal, or both, to explain so high a rate.

30,993. I cannot tell you how that would be?—That rather answers, I think, Lord Cobham's question. If they get an average goods and mineral rate of 1*s.* for 2 miles it looks a very high rate.

30,994. (*Mr. Lambert.*) You could convey the goods cheaper by horse?—But there is the point that you do get 12,000 tons.

30,995. (*Mr. Giffen.*) You told us, I think, that the gross receipts were about 1,311*l.*, that is the figure for last year?—Have you the 1892 figures?

30,996. Yes?—I was told by the general manager of the North Eastern that in 1893 it was over 1,300*l.*

30,997. For 1892 it is 1,311*l.*?—Then it has not gone up so much as I thought.

30,998. The working expenses, I find, are 1,256*l.*?—Yes. Of course that is really the whole point of the matter. The Easingwold Railway has one engine, and if that engine goes wrong, they have to send to the maker at Leeds and ask him to send down a man to put a new ferrule on a boiler-tube, or something of that kind. Obviously, their expenses are out of all proportion. You must get them to be benevolently treated by the big line with whom they connect.

30,999. Are you quite sure that is the explanation, because I find that the charge for maintenance of way and works is 179*l.*; for locomotive power, including stationary engines 326*l.*; for repairs and renewals of carriages and waggons 5*l.*; and for traffic expenses, which are the chief thing, 550*l.*?—Would you mind giving the general expenses; that is another point, I think, worth taking.

31,000. The general charges are 129*l.*?—Of course, there is just this question: you cannot say the secretary and the Board are over-paid at 129*l.*; but if you say that they get 60*l.* a mile from the line it is very heavy indeed. The point really is, that the little line can hardly live if it is expected to pay all this expense, as if it were a big line.

31,001. It would be cheaper to be worked by a bigger company?—There is no doubt that if the North-Eastern took over that line they would fairly charge it with only, say, 600*l.* a year for working expenses.

31,002. And that would leave a fair profit to the company?—I believe it would, even at the price they made it. Of course, they made it much more expensively than if it had belonged to a big company, naturally. The parliamentary expenses are very heavy if you have got to promote a little two-mile line, while if you put it into an Omnibus Bill they are practically nothing.

31,003. Did you tell us the percentage of net earnings on the Southwold Railway?—I do not think I have it here.

31,004. It seems to be worked at an expense of 80 per cent., according to the return which is before me; and the net income was 700*l.* to go towards paying the interest on 75,000*l.* of capital?—That would be so. There again, I venture to urge that the general charges of that line are 300*l.* a year, which is nearly 10 per cent. on the gross receipts. I do not say it is too much; I do not say the people who give their time ought not to get that amount of money, but it is a tremendous tax on a little railway.

31,005. Three hundred and thirty-six pounds, I find is the last item?—Of course, if those questions which come up to an engineer in London could go to the engineer of the Great Eastern Company, who would solve them as part of his daily business, they would really cost nothing.

31,006. The traffic expenses, I find, come to 870*l.* for 3,560*l.* worth of traffic, or something of that kind?—That seems something reasonable.

31,007. Still you do not deny the fact that none of these instances which you give have been at all paying instances, and that you would require amendments in order to make these lines pay?—That is my case. In the first place, there is the method of construction, including parliamentary proceedure, and everything which makes the initial capital cost to start with too high; then the requirements of the Board of Trade, if I may be allowed to say so, make the working expenses too high; then finally the fact that they are nobody's children, and that the railway company does not help them, makes them bear all the expenses that possibly can be put to their charge, and not get credited with all the receipts they really earn. I think that is the case.

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Liability for accidents on Continental light railways.

31,008. (*Mr. Gilmour.*) In these parts on the Continent where the local authorities allowed these lines to go along public roads, did you find out on whose shoulders the risk of damage for accident came?—I have no doubt it is on the company, in the case of negligence.

31,009. On the railway company?—I have no doubt of it. In Belgium, for instance, the National Company leases the line to a working company, and the working company is required to take the responsibility for accidents caused by its own negligence. There is a clause in the lease to that effect.

31,010. I think you replied to one of the questions put to you to the effect rather, that there were comparatively few accidents; at any rate, you did not lead one to understand that this traffic on the public road was dangerous?—Really, I do not know that I am entitled to say that I know that. I talked over the matter with the conductors, and asked them whether there were any accidents, or whether there were any public complaints, and they were quite positive that there were not. That is all my authority; I have not the returns.

31,011. You have no record of the accidents on the lines?—No.

Advantages of light railways to Agriculture.

31,012. (*Mr. Little.*) I think you said that you were not prepared to speak as to the exact benefit that light railways might be to agriculture; you are not practically acquainted with agriculture?—No, I have no title to speak as an agriculturist in any sense.

31,013. If it be assumed that in the present day the situation has become much more important as respects the value of land than it was formerly, it must be of advantage to agriculture to improve the situation of farms in a great number of districts?—I think that is so.

31,014. If it be a fact that under the present system of farming a much larger part of the produce—bulky produce—is removed than was formerly the case, there must be an increased necessity for means of transit?—Yes.

31,015. Anything, therefore, which cheapened transit, and rendered it more easy, would be a benefit to lands lying remote from railways?—Yes.

31,016. Would not the removal of produce by railway, instead of by road, be a great saving to the roads?—The saving in the cost of the maintenance of roads I know is put down abroad as one of the obvious advantages to the local authorities.

31,017. If it were clear that the local authorities would save in the cost of their roads they might be fairly be asked to make themselves to some extent responsible for the making of these light railways, this would not be unfair?—I think that is so.

31,018. I think you said that these railways can only answer if public opinion is in favour of them; that if there are to be difficulties thrown in their way by all the residents, they are not likely to succeed?—It is obvious that if at each turn, for example, you are to go before a tribunal to assess compensation, and if you are to have to fight a great opposition before the two Houses of Parliament, you will have added on what, to a main line, is only a small percentage of the cost, but what may be doubling the cost of the local line.

31,019. If the county council of any county were in favour of a line of this kind, it might fairly be supposed that the public opinion of that county was in favour of it, the county council being representative?—Yes.

31,020. It would be an inference that there was no strong local opposition, if the county council were in favour of it?—Quite so, subject, however, to the criticism that the county council may be somewhat far removed from the locality immediately affected.

Tariff on Belgian light railways.

31,021. With regard to the Belgian lines there is a fixed tariff for all distances, is there not?—I believe there is a mileage tariff applicable to the whole of them.

31,022. But there is also a fixed tariff for any distance for certain goods?—I do not think I quite follow your meaning.

31,023. Here, in this report, is a special tariff: "Established with a view of assisting the transport of "agricultural produce"; "A fixed tariff for all "distances 50 centimes per ton"?—Surely that must apply to an individual line?

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31,024. (*Mr. Elton.*) There is a "Variable tariff" added, which makes a variation?—*Witness (looking at the report).* The item set down first there is practically a terminal, what they call, "Frais accessoires;" there is the mileage tariff in addition to this 5*d.* terminal.

31,025. (*Mr. Little.*) That is what I did not understand. Is there a special low tariff for agricultural produce on these lines compulsorily?—The tariff is fixed by the State undoubtedly; whether it is fixed for the individual line, or for all the lines of the company, I really do not know.

Upwell and Outwell Tramways.

31,026. There are in this country railways of the kind that you have been describing, which if not light railways are railways which run upon high roads, and which are connected with main lines?—The only one I know is the Upwell and Outwell Tramways, which run from Wisbech for about six miles or seven miles, I think, along the road.

31,027. Almost entirely along the road?—Yes, that I think is made under the Tramways Act; in fact I feel sure it is.

31,028. It was made by the Great Eastern?—It was made by the Great Eastern, not as a railway, but as a tramway, I think; but I would not like to be sure of that.

31,029. There are no signals?—No.

31,030. Or fences or crossings?—No.

31,031. Or stations or platforms?—That is so.

31,032. The expenses which you said were prohibitory in the case of light railways do not occur there?—That is so. But then, if I might be allowed to point out the disadvantage, they are limited, I think, to a speed of 8 miles an hour, or something very like it—it certainly is not much more; it is a speed so low that, if it were a line 20 miles long, in all probability it would pay you to go a long way round by an ordinary railway. In the second place they have avoided one difficulty, which I venture to suggest was a very serious one; they get a lot of traffic at a place called Outwell Basin, or Upwell Basin.

31,033. In connexion with the canal?—In connexion with the canal; I forget whether it is traffic to the canal or traffic from the canal, but I know there is a great transfer there. If they be, as I think they are, under the Tramways Act, they would have no power to charge a terminal at that point, but as they belong to the Great Eastern Company, the Great Eastern Company can charge the terminal at Wisbech Station, whereas if the tramway company were independent it could not afford to do the transfer service and let the Great Eastern be paid for it.

31,034. The difficulties which have been put before us to-day as standing in the way of an extension of these railways, have not proved insuperable there?—No, but what the local county council would say, if it was proposed to increase the speed to 18 miles an hour, I do not know; I am afraid they would not approve of it.

31,035. Then you think that the main difficulty of making more lines of that kind would be the limit of speed which the Board of Trade put?—The main physical difficulty, as distinguished from the commercial difficulty.

31,036. What were the other difficulties which the Board of Trade interposed to the making of more lines of that description?—If I am right in saying that in order to make it profitable you must call it a railway, then once you call it a railway the Board of Trade require, if I may take one instance, a platform 3 feet high, 6 feet wide, and long enough to accommodate the longest train that will go on that line in the height of summer, which means an expenditure of about 500*l.* out of pocket. That is one item. The result of it all is, that the railway companies say, "We "cannot afford to put up this station; it will cost us "800*l.* at least for that station, and probably we shall "have to put in a passing place for trains, and then "we shall have to make platforms on each side; it "will cost us so much to make a station that we will "not make it." The result is, that when stations have been made to cost at least 1,500*l.* a piece, the companies run their lines five or six miles through the country without a station at all, and the further result is that they do not get the traffic or develop the district; the thing acts and re-acts.

31,037. Do you know whether this is a successful extension, or not?—There are no accounts, but I have always understood that it is successful, it looks successful; it certainly carries a large traffic.

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31,038. The opinion in the neighbourhood is that it is exceedingly successful?—I went on it once, and I was very much impressed with the number of people who got in and out all along it.

31,039. The regulations of speed and the question of charging terminals seem to be the only difficulties that you can state in extending such a system by railway companies themselves?—I think there is the further difficulty suggested of compulsory powers

31,040. But have they not compulsory powers?—Not if they are a tramway company.

31,040*a*. But in the case in question they took land compulsorily for sidings, and for making short cuts?—Of course, the Great Eastern Railway Company may have modified the ordinary law in their private Act; but that is a sort of thing that is easier for a great company than for very humble local promoters.

31,041. I happen to know that they bought land under the Lands Clauses Consolidation Acts for their railway?—I was only putting it this high, that the Tramways Acts, as a rule, do not give you that power; of course, you may incorporate the Lands Clauses in your particular Bill, but if you work under the Tramways Acts *per se*, and subsequently get a Board of Trade Provisional Order under them, without going to Parliament for a special Act, you do not get compulsory powers at any stage.

31,042. Do you know whether there is any complaint as to accidents on that line, and as to whether the accidents are numerous?—I have not heard of any. But then, of course, it is eight miles an hour, and it might be said that it would be quite different if it were 18 miles an hour.

31,043. Do you know anything of the Wantage line, which is a similar line?—I only know it does go on the road; I have often seen it on passing the station. I know it runs on the side of the road there, and it is a narrow gauge one.

31,044. The Wisbech and Outwell is a full gauge line?—Yes.

31,045. They run into the station yard and transfer their trucks?—They have a special passenger stock very much of the nature of an ordinary tram car; the goods traffic is worked in the ordinary Great Eastern Company's waggons.

31,046. Without any transhipment; they are run into the station yard, and then shunted on to the main line?—Yes.

Cost of construction of light railways.

31,047. (*Mr. Chaplin.*) I suppose that the success of a scheme of light railways would depend very much upon the character of the county in which they were attempted to be established, whether, for instance, it was a flat country, or a very hilly country?—Of course, it must be more expensive in a hilly country, but I think it is evident that the mountainous character of a district will cause a less excess in the cost of construction of a light railway, than in the cost of construction of a normal railway, because a light line can accept much steeper gradients, and much sharper curves.

31,048. Quite so, but when you give us your estimate of 5,000*l.* a mile for the construction of an ordinary light railway, was that taking into consideration the cost of a very hilly country?—I am not an engineer, and I am only taking it from the evidence that on many lines of all kinds, in all countries, that is in excess of the average of all countries.

31,049. You gave us Belgium as an instance; I have never been in Belgium myself, but a great deal of that is very flat, is it not?—Yes; then of course the cost of construction is very much lower there; it is under 3,000*l.*

31,050. What is the character of the country through which the so-called light railways in Ireland are made?—I have seen some of them in what you would call an ordinary country district in England, I think; of course they always practically follow the configuration of the ground; they do not attempt to go through big tunnels, or anything of that kind; they could not do it.

31,051. They do not make cuttings or embankments?—Not more than they can help; they would not do it where a main line would think it necessary to do it, in order to keep the gradient flat.

31,052. Then I may take it, I suppose, that where cuttings and embankments were at all necessary, they

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would be a very great hindrance to the establishment of a light railway?—Undoubtedly.

Speed of light railways.

31,053. One objection to making them on the roads, I understand, is a slower rate of speed, in all probability. You would be required to go at a slower rate?—I believe they are required to go at 12 miles an hour in Ireland, but the speed I have given in Holland and Belgium as 18 miles an hour is along the roads.

31,054. Do you anticipate that that would be feasible in England with the great traffic we have?—I do not think there would be any objection, except in public sentiment, and I think that would be a strong one.

31,055. Against the speed?—Yes, I do think the public would object, and I think myself they would be wrong in objecting.

31,056. Then I do not understand that those railways are always to be made upon the roads; you contemplate sometimes that they may be made over the country?—My idea is, that you would not find it practicable to make them on the roads in England, as a rule; there may be instances, like some of the great old roads with very wide spaces on either side, where you could do it, but I do not think, as a rule, the ordinary country road would take a railway.

31,057. Then they would have to be made across the fields?—Yes.

Light railways and fences.

31,058. I see a very great practical difficulty in that respect, if you are to have neither fences nor gates, nor divisions; take the case of Belgium and other countries on the Continent, and in America, there most of the land is unenclosed, is it not?—Yes.

31,059. In England all the land is almost entirely enclosed, and divided into fields?—Yes.

31,060. Do you not find a great difficulty in this respect, at the end of every field there must be a gate; there must be some division between the fields?—Yes.

31,061. How are you going to get over that?—I think it is quite evident that if you are going through fields you must be fenced off from those fields, but if the thing were approached from the point of view that a fence must be put up where necessary, and such a fence as is necessary, it means one character of expenditure; if, on the other hand, a fence must be put up which will keep the theoretical bull off the railway, if he is most determined to get there, it is a much more expensive thing.

31,062. That is not the only difficulty here; in the fields in England, we will say half of them, or a large portion of them, are full of stock of all sorts and kinds?—Yes.

31,063. This stock must be kept out of other fields?—Yes.

31,064. If you are going to make a light railway running through fields in which there are a lot of stock unguarded, you might have the stock on the one side of the hedge going round by the railway, and getting into a cornfield on the next?—You must obviously have such a fence as is necessary in that individual case. I think there is no doubt of that; but you need not set up a standard that you must have a fence at least four feet high, and of not less than six wires. I forget the exact Board of Trade regulation.

31,065. You must have a fence sufficient to keep out the stock?—Yes.

31,066. If you have to provide for fences of that kind, to fence your railway in, instead of leaving it open, would that interfere with its success as a paying scheme, would it not add very largely to your expense?—I think not. I am told it would be about 200*l.* or 300*l.* a mile for a cheap kind of fence, but I am probably speaking in the hearing of a dozen people who know very much better than I do.

31,067. Had you taken that into consideration before?—I have not attempted to make any actual estimate of the cost in England beyond this, that England is a more expensive country than the Continent, and if the Continent can do it on an average for 4,400*l.*, which of course must be an average over a large number, probably if you put on 10 per cent. you may be somewhere near it; but if anybody said 6,000*l.* I would not attempt to contradict him.

31,068. What I am rather wanting to get at from you is this, whether in the case where you have to make it across the country, and to make the railway with ordinary fences, which in the first instance, I understand, you did not contemplate, and in the case also where at the same time it is a hilly country, do you think it would be a practicable scheme?—An engineer was telling me quite recently that he had been examining a scheme for a light railway in a country—it is perhaps not quite fair to mention where it is—but it is a country which is almost purely a grazing country, and a very hilly country; he said, "I think I could do it to make it a success if I could "keep the cost down to ——"—I think the figure was 6,000*l.* a mile or 7,000*l.* a mile—but he said, "If I am "to come up to the ordinary standard, I shall have "to spend 12,000*l.*, and the thing is impossible."

31,069. I can quite understand that; that it will succeed very well, and will be very advantageous wherever it would succeed, for that matter. It would succeed I think in flat districts, for instance, the fen districts in this country, especially if it could be made on the roads. Why did you express the opinion you did just now, that, as a general rule, it could not be made, you thought, upon the roads; was that because of the sentiment against it?—Partly that and partly because I think the roads are hardly wide enough. Our English roads are not laid out as a rule by skilled engineers, and are made much more casually, I think, than most of the continental roads; they have just gone anyhow round a corner and back again, and you cannot do that with a railway. You have to cut off so many corners probably that it would be better worth your while to make your line independently. That is my impression. On the point of flat versus hill you have this advantage, that in a hilly country you have the traffic naturally flowing to the railway; if your railway runs along the bottom of the valley the traffic must converge on to it, whereas in the case of a flat country the traffic spreads itself in all directions. So the one somewhat balances the other.

Legislation necessary to establishment of light railways.

31,070. Assuming that you could get over all the difficulties of construction, then you are confronted at present with all kinds of legislative difficulties; what steps would have to be taken to begin with if it was attempted in Essex to establish such a system; you would want, I suppose, special legislation to start with?—My impression is that you would want a Light Railway Clauses Consolidation Act, so to speak; you would want general legislation dealing with all the points, dealing in fact with more than the Railway Clauses Act contains, dealing with the question of the acquisition, dealing with methods of construction and setting up a certain normal standard of construction, dealing with the method of acquiring the Act, dealing with the powers of the county councils, we will say, to guarantee, and various things like that.

31,071. What about the acquisition of land?—Of course, that is the most difficult thing of all; I do not know whether there would be any objection to allowing a jury assessing compensation to take into account the possible improvement of the land, which is practically of course betterment.

31,072. The present powers of acquisition of land for other railroads would not be sufficient for this purpose?—At the present moment you give the man who sells his land the right to get all he can for it, and the railway company cannot set off the fact that the rest of the land not taken will be very largely benefited. I do not know whether it would be considered a fair thing to upset by Act of Parliament the judgments such as Senior v. Metropolitan Railway Company which says that the benefit is not one of the elements to be taken into consideration, and simply to enact that the jury may take it into consideration. I should not like to say it ought to be done, but it has sometimes occurred to me whether it would not be fair to do it.

31,073. You would consider that almost necessary for the success of anything of the kind, do I understand that?—That must depend upon circumstances. You might have a line going for the whole distance through the estate of a benevolent landowner and then no difficulty occurs, but I think there is no doubt that with the present sentiment you would have the risk of having one or two opponents, and I do not see how these little things can afford to spend any great amount of money in fighting opposition. The cost of a private Bill is nothing to a big railway—it is a fractional percentage if it is a big railway—but it is a very big percentage if it is one of these small things with a capital of 50,000*l.*

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31,074. Then it becomes a very serious matter and would interfere with the success of any scheme for the purpose?—If 10 per cent. of your capital has gone to start with in parliamentary expenses, it is very serious.

Light railways and country roads.

31,075. (*Chairman.*) Might it not be possible to enlarge the roadside waste, or the road if that is not wide enough for making this railway; might it not be a simpler method, instead of buying land and cutting through a field to widen the roadside, say, by five or ten or whatever number of feet might be necessary?

(*Mr. Chaplin.*) That would mean making one new fence and half a new road, instead of two new fences.

(*Mr. Elton.*) The county councils have power to enlarge roads.

(*Witness.*) They might have power to enlarge the road, but have they power to enlarge it in order to accommodate a railway—to sublet the road as it were?

31,076. (*Chairman.*) In making a railway through a field you would have to sever a man's property, and the cost would be very much enhanced in that way, whereas by enlarging the roadside waste you are not severing a man's property in any way, you are merely withdrawing a little bit?—I think severance is less important if you bear in mind the fact that the railway will very much more follow the contour of the land than it does now. I mean to say that you will not have embankments and cuttings if you can help them, you will run up and down hill rather; it will be nothing more than two fences, as a rule.

31,077. If you go through the middle of a man's field you sever one part of the field from the other?—You do, undoubtedly; but it is not very much more than if you put a fence across it. Then if you go along the road you have got this to face, that the point where you most want room is where you get into the street of a village, and it is precisely there where you cannot take the land.

31,078. I understand you to say that in Belgium they drive these light railways through the villages, even where the roads are quite narrow?—They do.

31,079. Why can it not be done here?—If you will get here the Belgian public sentiment I think you can go along the public roads.

31,080. (*Mr. Dalton.*) These light railways would generally be short railways, would they not?—I should think in most parts of this country a dozen miles, and that kind of thing would be enough.

Speed of light railways.

31,081. Then is speed any object really; is there anything important in the difference between 8 miles and 18 miles an hour in these cases; it is not as if you were going 100 miles?—But it is to be remembered that it is maximum speed, and you have got to submit to all kinds of stoppages. If 12 miles means two hours it is a serious matter.

31,082. The expense would be very much smaller, if you could go along the road; I suppose if you went along the road, it would be practically the cost of a tramway along the road—supposing you had a good wide road?—Yes.

Cost of construction of light railways.

31,083. What is the cost of a tramway per mile on a good country road, under favourable circumstances?—I do not think I could say.

31,084. Would it be 1,000*l.* a mile?—Yes, I think much more than that.

31,085. 2,000*l.*?—I should have thought something like 3,000*l.*

31,086. How do they manage in Belgium to do these railways for about 2,000*l.*?—They do not have, for instance, the tramway rails that we have.

31,087. I was speaking of a tram that would go along a country road; you would not want such rails as you have on other lines?—That is a question again of the Board of Trade regulations as to letting wheels in.

31,088. I was leaving out for the moment the question of regulations, and was referring to the feasibility of using the roads if speed is not much of an object for a short distance, and certainly for a two or three mile railway it would not be a great object. Why should they not go along the road, in the middle of the road, as a tramway does in the ordinary way; that would be very much cheaper than going across country?—Yes.

31,089. You would find, in some parts of the country, that the road was a perfectly suitable road for the purpose, I should think; you would find it broad enough in many places?—Yes.

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31,090. Would that not be the cheapest way of doing it?—I suppose it would, undoubtedly, be cheaper.

31,091. You seem to lay so much stress upon the pace; I do not understand why: if it is a short distance, the pace is not a very essential matter. If you want to make one of these railways for five or six miles the pace cannot very much matter, whether you are going at eight miles an hour or 18?—I think it makes a great deal of difference from the point of view of the man who is going to use this tram. If he is a man who lives six miles out from his market town, and if he can drive in faster in his own cart he will probably continue to drive in his own cart.

31,092. It will cost him a great deal more?—It may do, but after all the sentiment of the thing counts for a very great deal, and you cannot always reason with a man's sentiments. I think the position is different.

31,093. But do you think that he regards the extra quarter of an hour, or half an hour, as a matter of very great importance?—I should not like to answer that.

Light railways in Naples.

31,094. (*Mr. Elton.*) Among different countries and places that you have seen these light railways in, do you happen to have seen them working in Naples. Do you recollect the steam tram in Naples?—Yes, I do; out to Pozzuoli.

31,095. The reason I asked you was because it seemed to be an interesting example; there they go through the middle of the street?—Yes.

31,096. Down hill or up hill; and it is a rare steep hill?—Yes.

31,097. Though they go a considerable distance there have been no complaints about accidents?—No. But would that not rather be compared with the steam trams which they have in places like Leeds, and Glasgow, and South Staffordshire, which are purely passenger conveyances within the towns.

31,098. Of course, it is rather an appalling kind of steam tram, because it comes dashing down steep hills, at a rate that would please you, I think, and goes right through the streets of the town. But most of the other examples that you mention, I think, were in countries that were, as Mr. Chaplin pointed out, very flat. You mentioned Holland—I am only going to ask just one or two questions to fill up gaps in what you said—of course, that is flat enough, but about the Dutch roads, they are not very broad, are they?—I should have thought not, as a rule, certainly.

31,099. You said they were very much less than the Belgian ones, I think?—I do not think I said that; if I did I ought not to have said it, for I do not know it.

Light railways in Holland.

31,100. I thought you did say they were very much smaller than the Belgian ones. Has any difficulty that you know of arisen from the fact that roads in Holland are, as a matter of fact, very narrow by the side of the canals?—No. I have travelled a good many miles on the Dutch ones, and they always seem to get on successfully, and they are a commercial success.

31,101. Do the light railways run along these roads in Holland, or do they go through the fields?—Any I have been on are on the roads. You can go from Rotterdam to the Hague, and places like that, I think, all the way in tramways instead of going by the main railway.

31,102. And do you know whether the fact of the roads being rather narrow has been found to be an obstacle to the introduction of these light railways on the high roads?—I think it is safe to answer it has not, because they are developing them.

31,103. The instance you gave us is a little deceptive perhaps, because, of course, people must go to the Hague. It is a pleasure place, and there are sure to be tramways to the Hague?—The point there was that two considerable towns—the Hague and Rotterdam—20 miles, or something of the kind, apart, have practically got a continuous country communication in addition to the regular main lines that connect them.

31,104. I am with you, of course, but I wanted to bring out whether there had been any difficulty, because we know the roads are narrow?—No, I do not think there has.

Hungarian light railways.

31,105. You mentioned Hungary; do you know anything about the Hungarian ones; you said Hun-

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gary was something like Wales?—I do not know them except upon paper. I was rather thinking of the sparse agricultural population.

31,106. It has also very flat, remarkably flat, plains?—Yes. I suppose a good deal of the country is so, undoubtedly.

31,107. I suppose when you said "all Europe" you meant a considerable number of important countries, because we need not, perhaps, go into Spain?—In Spain at the present moment the Government is promoting a new law to encourage the railways to extend themselves.

31,108. Railway extensions?—Yes.

31,109. Because they have only got one or two main trunk lines?—Yes.

Belgian light railways and agricultural produce.

31,110. I notice that in this Belgian system it is not so much connected with agriculture as the things that we have been speaking of for England, because I see the plan for these vicinal railways was founded on the idea that they would facilitate intercourse between the rustic towns and the communes, and between them and the larger towns, so that they are to a very great extent not agricultural, but for the purpose of facilitating intercourse between towns; that is so, is it not?—I think the document which I read at the very beginning almost answers that:—"They will furnish "the people with the means of transporting their "products at the lowest possible price. By means of "their junctions with the main railway lines they "will render access to them more convenient both for "passengers and for goods. They will assist communication from village to village, and from the "village to the adjacent station. They will call into "being new industries, and increase the prosperity of "existing industries by affording them new outlets "for their products"——

31,111. It is very nearly the same statement with the change of the station for towns?—"They will "enable the farmer to procure at a cheap rate the "fertilisers necessary"——

31,112. Certainly, that is just where he comes in. In the proposals in the Blue Book it is put boldly out that the lines are to a very great extent for facilitating intercourse between the large towns. It also says at the end that they will enable the farmer to obtain cheaper manure?—Might I comment upon that by saying that obviously it cannot be intended primarily as a means of communication between the large towns because the large towns have already got communication by an ordinary railway.

31,113. Some of them?—There would be no two large towns in Belgium that need a light railway primarily for that purpose.

31,114. The Belgian Government must be responsible for this statement. This is their own statement; they say they think it very desirable to enlarge the communication between these big towns?—Might I put it this way. Primarily you have a line near Namur, or where not, and instead of terminating it in the country district you carry it through the rural district to a second large town.

31,115. I will tell you what struck me on looking at the map, and you will tell me if I am right, that there were two or three objects some of which would be applicable to this country, some of which might not be. For instance, there is the making of a large market town, the market city a centre, and throwing out radii to the different agricultural communes. That is what you would recommend for this country; that is the kind of thing we have been speaking of?—Yes.

31,116 Light railways to facilitate agricultural carriage?—Yes.

31,117. But also it must be remembered - will you agree to this—that in dealing with Belgian lines there is the additional object there of connecting city and city and town and town?—Yes.

31,118. We must not take the Belgian system as applicable *en bloc* to England, but you would suggest that there are parts of the Belgian system which would be found very useful in England?—Whatever may be the advantage in Belgium in connecting two towns 10 miles off or 20 miles off by a new light railway, probably the same advantage would apply if we were to connect two towns in England. I imagine it is for the sake of the development of the intermediate country that you make the steam communication along the line of the high road; that is how I should look at it.

31,119. I do not quite look at it in that way, because, after all, these are Chemins de Fer Vicinaux, and they are not agricultural light railways. They serve a double purpose; they are communications between towns, and they are also intended incidentally to benefit agriculture. I merely ask you whether that would appear to be so on one reading of the map or of the statement that is printed?—I see the point. I do not know that I can interpret a written document any better than anybody else of course.

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31,120. You had a better interpretation from your point of view?—What I read to the Commission was a translation of the official document.

31,120A. The only reason I made the observation was, that you had used "stations" instead of "towns," whereas the official document had drawn some attention to the advantage of making towns communicate together?—I cannot translate the French otherwise. It is "*relations des communes aux stations de chemin de fer.*" If the Blue Book (C. 7356) translates "*stations,*" "towns," it seems to me that the Blue Book is merely wrong.

Light railways and steam tramways.

31,121. Now about the light railways; you rather used that term, I think, as if it meant, as I said just now, a cheap form of railway. All I want to know is whether it would not also take in, in your view, the system of steam tramway such as Mr. Little described?—Undoubtedly.

31,122. You do not wish to confine your evidence to the class of what might be called railways as such, though light, but you would also take in any cognate forms like steam tramways along roads?—If I might answer that in a more general way, I should be extremely sorry that the Commission should take practically anything that I should have said to-day on my authority. I have no right to come here as an engineer, or as anything like an engineer, and no one, I think, could know, with the intimate detail with which they ought to be known, before any serious new departure is taken, all the sides of this question thoroughly.

31,123. No, but my question was, would you wish your evidence to be confined to a thing which would be formally called a railway. I understand that you would include such means of communication as convenient tramways?—What I should like to do is to suggest that the Commission should cause serious inquiry to be made into the whole development of land transport by mechanical means other than first class railways.

31,124. That is more the point?—That is practically what I think it comes to.

31,125. You do not express any definite conclusion on such engineering points, as to whether it should take the form of being more like a tramway or more like a great railway promoting a smaller railway?—That is so.

31,125A. (*Viscount Cobham.*) Is there anything else you wish to add?—If I might just add one word, it is this: I did want to say what Mr. Elton has been kind enough to ask, that I hope the Commission will understand that I do not venture to give my evidence as that of an expert. I think it is more than possible you may find that I have been inaccurate in a great many points. I think that is unavoidable. All I ask the Commission to do is to consider whether there is not a case for making a serious inquiry by much more competent people than I can pretend to be, and much more thoroughly than I have been able to do it. Apart from the personal point—if I might raise a point which has not been mentioned—I think the continental evidence goes to this fact, that the effect of the thing is quite as much moral as material; that the reason the farmer does not send his milk to market now-a-days is not necessarily that he cannot send it, but may be only because it has not occurred to him to send it; and that the effect of carrying railways into districts where they have not been hitherto, has very largely been to stimulate the minds of the people, and cause a moral change quite as much as a material one. It seems to me that the continental evidence, especially the French, raises that point a good deal: that these agricultural lines have had the effect of inducing people to appreciate the changes that have come over agriculture, and to adopt new methods.

31,126. You think it would enlarge the agricultural mind very considerably?—Yes, that is what seems to me is the evidence. The thing ought always to be considered from that point of view quite as much as from the point of view of whether the actual saving in the cost of transport would be sufficient to justify the capital expenditure if you take it by itself.

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31,127. (*Mr. Elton.*) I was not in the least, in any of my questions, attempting to detract from your useful and interesting evidence. I was merely desiring to make it still more useful by trying to divert that part of it which might be urban, and to keep as much as possible to those parts which were in our agricultural department?—I was only afraid of being taken out of my depth. *Mr. W. M. Acworth.* 13 July 1894.

The witness withdrew.

Mr. J. Lousley.

Mr. JETHRO LOUSLEY called and examined. *Mr. J. Lousley.*

31,128. (*Viscount Cobham.*) I think you are a tenant farmer at Hampstead Norris, near Newbury?—Yes.

31,129. And that you are a representative of the Berks and Oxon Chamber of Agriculture, Chairman of the Wantage Board of Guardians, and an Alderman of the Berkshire County Council?—Yes, that is correct.

The Wantage Tramway.

31,130. Before I take you through your brief, I think you have heard the questions asked of the previous witness with regard to the tramway from Wantage?—I have.

31,131. Perhaps you can tell us a little more about it?—I can tell you a good deal about it. That is what I think our light railways ought to be; they ought to be constructed, if possible, in the same manner as that tramway is constructed, and along the road, and, if the road is not quite sufficient, to take in a little bit of land beside it; it would not cost much to go into anyone's field; there would be no severance then. That is how that tramway was done. It runs for three miles from Wantage Road Station up to the town of Wantage, and it is promoted by a company. There is no fence at all, and it pays from 3 to 4 per cent.

31,132. Is it worked by steam?—Yes.

31,133. At what pace do they run?—I should not think they run very fast. I should not think they run more than 8 miles an hour.

31,134. Do you know whether they are limited to 8 miles an hour?—I do not know, but I think they are limited to a certain speed.

31,135. They have a dividend of 3 or 4 per cent. I think you said?—Yes, over 3 per cent. I know.

13,136. Has it proved to be of great value to the neighbourhood?—It is a necessary thing to the town of Wantage, quite necessary. I believe that they do not join the railway, but that the trucks of coal and other things are taken off and run by this engine up the tramway to Wantage.

31,137. Does it take agricultural produce and passengers to any extent?—It takes all kinds of agricultural produce.

31,138. Are there any stations between?—None, and they do not stop.

31,139. How many trains a day are run?—About four or five each way; they meet all the trains that stop at Wantage Road Station, except the 10 o'clock in the morning.

31,140. You do not find accidents on the road?—None at all.

31,141. Stock do not run in the way of the engines?—I never heard of any accident at all. If light railways are carried out, they ought to be carried out on that system. If you go across the fields, and up hill and down dale—I have heard the evidence that has been given here—in my opinion, I believe one thing and another will run up the expenses so that they will not pay.

State of Agriculture in Berkshire.

31,142. Will you tell us the state of agriculture in Berkshire for the past 20 years?—I occupy myself 800 acres, and I began in 1855; 100 acres are my own; the other 700 acres I occupy belong to two or three landowners. When I began in 1855 wheat was very dear, 80*s.* a quarter; now it is 24*s.* a quarter. Of course that is a great deal less.

31,143. (*Mr. Little.*) How many acres of wheat do you grow?—About 120. Labour was very little higher then than it is now; it was higher, but very little. Rents were very much higher, but they are very much reduced. I think I may take it on an average in our hill country—I live in the hill country, though I am quite in the centre of Berks—if you took another place you could not pick another more in the centre of Berkshire. I live in what we rather call the hill country; of course the hill country is a great deal lighter land, and expensive in cultivation, and you do not grow as much corn, as a rule.

31,144. (*Viscount Cobham.*) Is it a good representative Berkshire farm?—Yes, it is a very good representative Berkshire farm. Speaking of rents I not only speak individually, but from what I know as chairman of the Board of Guardians of the different appeals that are brought before us.

Fall in rents.

31,145. How much have rents fallen?—They have fallen 50 to 60 per cent, and in some cases more than 80 per cent. I have known one or two cases where it has fallen more than 80 per cent.

Cost of production.

31,146. You consider the actual cost of production on the whole has very considerably decreased in that period rents having fallen so much and probably feeding stuff and manures?—Yes, and the rates follow the rents, but labour is not so much less; it is less, but it is not very much less.

31,147. With the exception of labour, which remains very much the same, would you say the cost of production was very considerably less?—There is no doubt that it has decreased, but labour is almost at a standstill; it is not much less than it was then. At that time, if I might express an opinion that way, I do not think labour was fairly paid.

31,148. Taking it that the cost of production has considerably decreased, including rents, what about profits?—The profits have been nil since 1879; I think I may say, putting one year with the other, they have been nothing at all.

31,149. Has there been much loss?—We just struggle on. I do not mean to say that we do not nearly get a living, but we just struggled on up till last year, 1893, which was ruinous, for we had neither hay, straw, nor corn.

31,150. Has it ruined many farmers?—A great many.

Vacant farms.

31,151. Are there many vacant farms?—Yes, there are a great many vacant farms. I can name the next parish to mine, where I think nearly the whole parish is about vacant.

31,152. Is it being cultivated by the landowner?—No, by tenant farmers; one by a landowner.

31,153. Is much land absolutely left abandoned?—There are farms to let, but we have really none abandoned. I cannot say that we have a large number of farms to let. One thing that takes off from the large number of farms that are to let is that we have two or three very large landowners with plenty of money, and as fast as farms become vacant they take the farms up. I allude to Lord Wantage and Mr. Benyon.

31,154. They have a large amount of land on their hands?—Yes, and plenty of money to carry it on, both of them.

Condition of tenant farmers.

31,155. But as regards the tenant farmers they have suffered very severely, and many of them have lost all or part of their capital, I suppose?—A good many of them have lost their all and have been obliged to give up; others, as I say, have just struggled on and barely get a living.

31,156. Do you think they are gradually adapting themselves to the position, and will be able to go on now if things do not get worse?—If we should get a good season—I believe we will have a fair one this year—and good crops, they might just exist, because the landlords have met them fairly and well. But I cannot see how there can be much profit, or any profit on wheat at 24*s.* a quarter; it cannot be grown. If you will let the land alone and not plough it or sow it, or do anything with it, why there is no loss, but as soon as you put the plough into it and begin to pay labour, sometimes there is a serious loss.

Position of labourers.

31,157. How has the position of the labourers been affected?—The labourers are a great deal better off.

31,158. Are there as many of them?—No.

31,159. Is there less employment for them?—There is less employment for them, and the villages have decreased in numbers.

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31,160. In the quality of the labour that is left as good as it was?—It is very good but it is educated, cunning; they are very educated, and they certainly do not do as much work.

Quality of labour.

31,161. (*Mr. Whitehead.*) Do you mean to say that they scamp their work?—I mean to say that if you are not there they do not continue to work as hard as they would if you were there.

31,162. (*Mr. Chaplin.*) Is that the result of education do you think?—I think that is, partly.

Allotments.

31,163. (*Viscount Cobham.*) Is there much demand for allotments there?—No, they have allotments, and they are not half occupied.

31,164. They are provided already?—They have been provided ever since I can remember, and I was born in the village and have lived in the parish now 60 years. There have been plenty of allotments ever since I can remember, and all round too. They are on some of the best land in the village, and close to home, and they are let at about 3*d.* a pole.

31,165. (*Mr. Little.*) 2*l.* an acre?—About 2*l.* an acre, and they have nothing to pay besides; they get half the work done for them; if they have any manure to be drawn up they always ask me to draw it, and if they have any potatoes to bring back, they always ask me to bring them.

Small holdings.

31,166. (*Viscount Cobham.*) Are there many more small holdings than there used to be?—I do not think I can say there are many more; in fact 20 or 25 years ago the small holdings were very much cut up. When farmers were doing well, as fast as a small holding was to let it was added to a farm, since that there have been a few created.

31,167. How have they stood the depression of agriculture?—They have gone the worst. There is no man on a small holding can do except he has from 40 to 80 acres of land and keeps two horses, and does the greater part of the work himself. Those men can just do if they do the work themselves, but if they begin to hire labour, or anything of that sort, they go to the bad directly.

31,168. If they have not some other occupation?—Unless they are innkeepers or something like that.

31,169. Then it would be an accommodation to them to take a small amount of land?—And then work it and do some other business as well, either as innkeepers or as timber carriers.

31,170. You do not know any agricultural labourers who are able to take small holdings and do well by them?—No. We had a man start as a carrier some years ago; he did well as a carrier, then he took a public-house, and he did well with the public-house; then he went into farming and took 80 acres of land, and the poor man failed without a penny.

31,171. (*Mr. Little.*) Are you near the Lambourne small holdings?—No, I am a considerable distance from them—about 18 miles.

Agricultural Holdings Act.

31,172. (*Viscount Cobham.*) What do the farmers thing of the Agricultural Holdings Act, and its working?—We consider it is almost a failure, landlord and tenant both seem afraid to make much of it.

31,173. They do not have recourse to it?—No.

31,174. Why is that?—When the tenant makes a claim the landlord makes a counter claim generally and that frightens them both. That is how it has acted in Berkshire. I do think there should be means found to protect a good tenant against being turned out by the death of the landlord, or by the whim of a bad landlord. At the same time the landlord's property should be protected; as regards so-called improvements, a landlord should have some voice in the matter or the tenant may almost ruin and impoverish the landlord in these times. I think it wants something done different to what it is.

31,175. Do you hold under the Act?—I do not hold under the Act.

31,176. Have you an agreement then?—I have an agreement.

31,177. Which you prefer to the Act?—Yes, I prefer it to the Act.

31,178. Do farmers generally consider the Act expensive to work?—Farmers generally seem afraid of it, and I am sure landlords are afraid of it.

Claims and counter-claims.

31,179. They are afraid of the counterclaim exceeding the claim, and of being put to expense in that way?—Yes, that is what the fear is. Supposing a tenant made a claim they fear that the landlord will make counter-claim, and he ought to have the right to do so I consider. It is just *vice versâ* about that. I have known two or three cases where one has made a claim and the other has made a counterclaim, and it has really come to nothing, simply nothing.

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31,180. Do you think the claims should be made on the same day?—I think they should. I think a tenant should be paid for any real improvement on the holding, but still I cannot quite understand why a tenant should have power to go and to do anything and everything on a landlord's property without his consent.

Insecurity of tenants.

31,181. Do you think there is much feeling of insecurity on the part of the tenant?—I think that that ought not to be allowed. I consider that a tenant at the present time has the advantage if he is moving or changing his holding or anything, because he can make almost what bargain he likes, except now and then a landlord who has means says: no, if you do not take my terms I will take it in my own hands. But if the landlord attempts to let it, as agriculture is at the present time, the farm will not let, and the tenant can go and make what bargain he likes almost, and I think the tenant has rather the best of it when he comes to make a bargain.

31,182. You do not think that the feeling of insecurity prevents men of capital from coming in and taking land in Berkshire?—Not the feeling of insecurity. I think the feeling of not making it pay is the thing that prevents people coming at the present time.

31,183. That is to say, they look out for the future because of the prices?—Yes, and for myself, I cannot see at all how corn is to be grown at the price; it is an impossibility. Our farms in the hill country, you know, are a great deal larger than they are in the Vale of Berks, around Abingdon and Wallingford. The farms there are only about 300 acres usually, and when you get up higher they are from 500 to 1,000 acres. But if a farm of anything over 500 acres is given up now, I may say that it is an impossibility to let it; nobody will take more than 500 acres.

Low prices and foreign competition caused by increased facilities of communication and transport.

31,184. What do you think the cause of the depression has been?—Low prices—there is not a doubt about that—and foreign imports. It is nothing in the world but steam that has done it. It is a curious thing; of course, we cannot do without it; we must have it, and I am not saying anything against it, but if it was not for steam we should not have this foreign stuff over here; they could not get it across from America, across the sea—and we should not have it.

31,185. Then, as far as that is the case, there is no remedy?—There is no remedy, but that is the cause; at least that is my humble opinion.

31,186. Then the cause is the greatly increased facilities of communication and transport?—Steam and the telegraph have entirely altered it. They could never get it across from America with carts and waggons; if it was not for steam, there it would stay and rot if it liked.

Protection.

31,187. Do you think that any remedies could be adopted to, at all events, mitigate the depression?—There are certain remedies, but of course my real remedy—I do not think you will do any better—and I know it is the feeling in the country that it ought not to be—but I do not think anything will be any good unless it is Protection. I believe Protection is what you may say the only thing possible to keep up prices. We know what the public feeling is, and what is said and done throughout the country; we know the public will not have it; they have set their hearts against Protection.

31,188. That would counterbalance the effects of steam to a certain extent, you think?—That would counterbalance the effects of steam.

31,189. Is that the opinion generally, of Berkshire farmers?—Among all the farmers; I do not think it is among the labouring class. But you see Protection seems such a hard word; it has such an apparent meaning to it that it frightens people. But I do not see why Free Trade should not frighten people just as well, especially when we have not got Free Trade; because we have not got Free Trade. It is all very well to talk about it, but we have not got Free Trade; there is no Free Trade now. How can you call it Free

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Trade when our land is taxed as it is now, when they are really taxing the food of the people? When I say that, I speak feelingly; I consider that by keeping all these imposts of every description on the land, that it is taxing the people's food. You cannot get the people to believe it, but I believe it.

31,190. As long as Protection is denied, you consider the system of taxing the land should be re-considered?—If Protection is denied to us I consider that in justice everyone ought to move every possible means to relieve the land of all its burdens, and put us, at all events, on the same footing as the foreigner, who has very little charges on the land. If they were to take all the charges off the land entirely, and say, "Now "work your way; you have only got the foreigner to "fight," why, we should not have quite the same power then of saying that we were not used fair.

Duty on flour in relief of rates on agricultural land.

31,191. Who would pay the rates if you do not?—Anybody might, as far as I cared; but still, I have another little remedy, which I do not think even the greatest Radical or free trader, or anyone else ought to object to. I know that several of what I call free traders are of my opinion, and think that it might be done. I think that all manufactured goods ought to be taxed, but I think in common fairness, as these things are, there ought to be a charge, especially on flour. I would not put a high charge on flour—I would not raise the price, but I would put 2*s.* a cwt. on flour, and that would bring in sufficient revenue to pay all the rates; not all descriptions of rates, but rates on agricultural land; I do not mean to say all the rates of the country, because I think houses and buildings ought to be rated, but I do not think agricultural land ought to be rated, and if you were to put this charge on flour it would raise enough money to take the rates off every bit of agricultural land in England. I think that would be one remedy to assist us at any rate. I pay something like 60*l.* a year rates on my land.

31,192. Still it would not go very far towards meeting the depression in Berkshire?—It would not, but then it would remove that feeling of what we consider injustice.

31,193. If you do not pay the rates who is to administer the expenditure of them?—There would be houses you see. Everybody would be rated for his houses and his buildings.

31,194. You would be rated on the farmhouses?—Yes, I should consider it to be only fair to be rated on your house and buildings the same as a tradesman is rated on his house and buildings in a town. I do not think that would be unfair.

31,195. (*Mr. Chaplin.*) But you do not want to be rated on your business any more than a trader is?—I do not want to be rated on my business, on the agricultural land, which produces the food.

31,196. (*Viscount Cobham.*) Have you any other remedies to propose?—I think this tax on flour, as I tell you, would pay the rates. I think that by doing that it would create a great deal more trade at home, the money would be spent in this country in labour and that would be spent again, and by those means the more money there is here, instead of going out of the country, the better it would be for everyone. I can give you an illustration of that which happened in my neighbourhood to a relation of mine. I ask you, did either of you ever know a new water mill erected? That is a curious thing—it is one of the staple trades of our country. In 50 years we have almost doubled ourselves; we have got all these people to feed; they must have flour, and in my whole experience I have never known a new water mill erected, and that must show a bad trade.

31,197. You have known a good many given up?—I have known a good many given up. A miller, a friend of mine, seven or eight years ago, used to work his mill from 1 o'clock on Monday morning till 11 o'clock on Saturday night, and he had two relays of men; what has he done? He said to me about two or three years ago: "Do you know, Jethro," he spoke to me as a friend, "what I have almost made up my mind to do?" (and he has done it), he says, "I am only going to "work from six in the morning to six at night, and "only keep one lot of men, for I find I can buy foreign "flour as cheap as I can make it, and I am deter-"mined," he says, "to buy foreign flour and mix it "with my flour," and he says, "my trade is no worse, "or anything. I can get rid of as much flour. I am "going to buy half my flour, and I am going to do "away with one lot of my men and machinery." And he has too. That is a fact.

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31,198. (*Sir Nigel Kingscote.*) There is the loss of the bran too, is there not?—Yes, and that loss of the bran through the flour being ground in America, and in India, or wherever it is grown, is very great. If we had it ground in England we should have all that offal to use for our stock, and to assist and increase the produce of our own country again.

31,199. (*Viscount Cobham.*) Your duty on flour would increase the price of bread, would it not?—I do not think it would at all.

31,200. Why not?—Because the wheat would come in free, and we could grind it, or we ought to be able to grind it, and serve it out at nearly the same price as foreigners would do it. I do not see at all why a duty on the importation of flour should increase the price of bread if we have the wheat; what would be the difference?

Land tenure.

31,201. Have you any other suggestions to make?—No, I think not. In fact I am one of those helpless beings that unless we get better prices I do not see what can be done. The real thing that we want is better prices. Then, as regards the tenants; our tenants have had an opportunity we know in 20 years, to change their occupations and get their rents reduced, which a great many have done; but as I tell you, they cannot grow wheat at the price. Some of them—I do not pretend to talk a good deal about land tenure and all those things; but I do not think that would make any difference. That is my private opinion. I do not think anything of that sort would make any difference. They can make a fair bargain now without any of these Acts of Parliament to make bargains for them. I believe they are all independent enough to make their own bargains.

31,202. In Berkshire there are fewer applicants for farms than there are farms, so they are able to make their own terms, is that so?—Yes, and so there is in every county; but I think in Berkshire there are fewer applicants. Then you see there is another thing to counteract. Mr. Benyon is quite willing to take any farm into his hands which falls vacant. He has let one or two lately; but he has as many as a dozen on his hands now. Lord Wantage has a great many more; he has from 4,000 to 5,000 acres in his hands; they have both plenty of money. I know of two farms, one adjoining mine, which has 208 acres of land with a good house and buildings; that farm was bought since I have been in business, in 1860, for a little over 9,000*l.* Now the owner—he was a cousin of mine—having died, the family wanted to dispose of it. They had it put up to auction twice. These 208 acres are in a ring fence, and all they got bid for it was 1,900*l.* That is as good a farm as you want—I may say that 208 acres is all in a ring fence on the level, and a good enough house for anybody to live in; it is only 2 miles from the station, and yet there it is in that way; and they want to sell it because the owner has died and left a family of four daughters. They cannot sell it; the only bidding that they had for that occupation is 1,900*l.*

Decline in value of farms.

31,203. Is that in good condition?—Yes; he was a first-rate farmer, and he has not been dead but two years.

31,204. What is your other case?—The other case is a farm which lies out of the way—that is, near Wantage—it is a farm of 447 acres. There was paid 20,000*l.* for it about 20 years ago—I may, perhaps, explain a little more about that—that was a fictitious price, of course, because it was just in the centre of a gentleman's property. I want to sell it now, and I could sell it to any gentleman here for 3,000*l.*, and if anybody would buy it I would go home pleased.

Land tenure.

31,205. (*Mr. Chaplin.*) I understood from you that no changes in land tenure in your opinion would enable farmers, in Berkshire at all events, to make one whit better terms than they can make to-day for themselves in taking a farm?—I do not think so at all.

31,206. As a remedy for agricultural depression it is out of the question?—I think so.

31,207. You said that the only think you looked to, and I quite understand it, for an improvement in the position is a rise in prices?—Certainly.

31,208. If you could be shown any other way instead of Protection, which would have a tendency to raise

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prices, I suppose you would be willing enough to accept it?—Certainly.

Currency and prices.

31,209. You have never given attention, I suppose, to what are called currency questions?—I have heard a great many speeches upon it, and I came to London to a conference here, and we have had them over at our conference chamber, but I am almost ashamed to tell you I do not understand it even now.

31,210. I am not the least surprised at that; and there is no reason for being ashamed, I think?—I do not understand it, and I do not know what effect it is likely to have.

31,211. You will be quite ready to take any remedy which you think will raise prices?—I will accept bimetallism or anything else.

Reduction of rents.

31,212. Then there is nothing to be done, I gather from your evidence, in further reduction of rents; because you tell us that in one or two cases you know of they have been reduced more than 80 per cent.?—I do know it. I think agricultural land pays nothing at all in these times without any rent at all.

Duty on flour.

31,213. With regard to your proposal to put a duty of 2*s.* a cwt. on flour; why do you select flour in particular more than anything else; is that because you consider it a manufactured article?—Yes, I would put a tax on all manufactured articles that come in. I have got some foreign matches in my pocket, and I should very much like them taxed—all manufactured goods. I think when the artizans and mechanics are instructed in that, we shall have a wave in our favour.

31,214. I understand that, in your opinion, while it would not increase the price of bread, it would very much decrease the price of another article which is of great importance to the consumer, and that is bran?—It would.

31,215. Bran has risen in price, has it not?—It has very much risen in price, in fact you can buy flour at almost the same price as you can buy bran.

31,216. Exactly, the bran has become as valuable as flour?—Yes.

31,217. One effect of putting a 2*s.* duty on flour would be to lower very much the price of bran in the interest of the consumer?—It would, and it would employ labour, and that money would be spent again in this country; and whenever money flows about you have got a chance of scrambling for some of it.

31,218. Have you anything else to suggest?—I can scarcely suggest anything I am sorry to say. I do not know what to suggest, except, as I say, that Protection seems the only thing to save us, and that is almost impossible. The other thing is to tax all manufactured goods, and by those means to take all the rates off agricultural land.

31,219. Do you grow barley in Berkshire?—A very great deal.

Adulteration of beer.

31,220. Have you ever considered the question of remitting a part of the present beer duty, and raising an equivalent revenue upon foreign barley instead?—No, I have not, but one thing I have considered, and moved at our chamber, and we have discussed it continually, is, that beer should be pure because it ought not to be brewed from other ingredients. When I went to school I learned that beer was brewed from malt and hops, but I think now there is something of everything else in it but malt and hops. Another thing we have discussed, and we feel it strongly, about this beer and other things is, that there is the Adulteration Act. You cannot adulterate any other article but beer, but then they say you cannot adulterate beer; but what is beer but adulterated when it is brewed from sugar and molasses and all that sort of thing?

31,221. You have given us some interesting and, at the same time, some painful evidence. Have you anything else you wish to say?—No, I think not.

Description of his own farm.

31,222. (*Mr. Little.*) You told us you had 800 acres of land, how much of that is arable?—I have only about 40 acres of pasture.

31,223. 760 arable?—Yes.

31,224. You told us you grew 120 acres of wheat, or thereabouts?—Yes.

31,225. What is the rest of the land?—I grow 120 acres of wheat, and we planted on the four field system. It comes in wheat every four years. Then I grow 100 acres of sainfoin.

31,226. That is down for several years, is it not?—That is down for four years, and I keep so much of that down so that you may take that almost as pasture.

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31,227. That would bring the 760 to 660. Then four times 120 would be 480, what is the rest?—I would grow roots.

31,228. On the four fields system you would grow 120 acres of wheat, 120 acres of barley, 120 acres of clover, and 120 acres of roots?—Yes.

31,229. That makes only 580 acres with the sainfoin?—I grow a large proportion of barley.

31,230. How many acres of barley?—On the average, taking barley and oats together, we consider them together about 160 acres.

31,231. Then you do not stick closely to the four course system?—We never plant wheat except once every four years.

31,232. If you have 160 acres of barley and oats, and only 120 acres of wheat, you cannot have a fourth of your land in wheat?—No, we do not have a fourth, it is about a fifth, is it not?

31,233. Less than a fifth?—I have the wheat once in four years. Then I have 100 acres of sainfoin. If you multiply 120 by four that would be 480, then put 100 on for sainfoin.

31,234. That is 580, and you have got 760?—Then we do not, as you say, stick to the four field system.

31,235. Do you keep the seeds down for more than one year?—Yes.

31,236. Do you grow some beans?—No, we cannot grow beans, but we grow vetches.

31,237. Have you a breeding flock?—Yes.

31,238. How many ewes?—About 350 ewes.

31,239. Do you sell the lambs or keep them on?—Keep them till the next spring—keep them the year.

31,240. Do you keep a dairy?—Only a small dairy.

31,241. Do you winter many cattle?—Not many.

Fall in prices of sheep, wool, and grain compared.

31,242. The price of sheep and the price of wool have both declined very little?—Not sheep. Of course taking the average of years, I cannot say that that has declined very much; wool is not half the price, but sheep, taking the average of years, of course I have known a great deal dearer.

31,243. Barley and oats have not decreased in value greatly?—Last year oats sold well, but then we had none, we had to buy.

31,244. I mean on the average of the last few years, there has not been the same decline in the prices of barley and oats that there has been in the price of wheat?—Certainly not.

31,245. Your loss is principally in wheat and wool?—Wheat and wool and barley have declined, but not in the same proportion.

Decreased production owing to fall in prices.

31,246. Do you consider that there has been a falling off in the amount of produce?—Largely.

31,247. For what period?—About 15 years; since 1879.

31,248. Ever since 1879?—Yes.

31,249. Do you think the land has never recovered from the bad seasons of that period?—I think the farms have been gradually going down.

31,250. From want of manure?—Yes, I do not think they farm so highly as they did.

31,251. Take your own farm?—I was speaking generally of Berkshire; I was not speaking of my own farm.

31,252. I was trying to make out where the loss was, and whether it was partly from a decrease in the amount of produce. Would you say that on your own farm, taking the last ten years, one season with another, the produce has been less than it was before?—It is less, because we have had bad seasons; but we had one or two seasons when we had a good crop even in the last few years.

31,253. You have always been subjected to some bad seasons?—1860 was a very bad one, and 1879 too; they were two awfully bad seasons.

31,254. 1850 and 1852 were bad seasons, were not they?—Yes, but that was in my father's time; that is a little bit beyond me.

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31,255. Do you think there have been more bad seasons in the last 15 years than before?—I do.

31,256. Speaking generally, would you say that the produce in your part of the country has diminished considerably since 1879?—Yes; besides the bad seasons.

31,257. Partly owing to bad farming, would you say?—The farming is the cause of some of the shortness of crop, for the reason that some have not got the money to spend; others that have got the money are very careful how they go and lay out a pound upon the chance of getting only 18*s.* back again.

31,258. Then the low prices, and the continual fall in prices, have operated to prevent farmers spending money?—They have.

31,259. And so the produce has fallen?—It has fallen. You can see what I mean by that, which is that when we used to give our sheep corn 20 years ago, when barley was at 42*s.* a quarter, and wheat at 60*s.*, if we got a sack or two sacks an acre more, we got it at the rate of 42*s.* and 60*s.*; now if we get a sack to the acre more, or a quarter to the acre more, we only get it at the rate of 24*s.* and 28*s.*, which is what the barley is. You see it does not pay us to go to the same expense as regards feeding as it did.

Farming at present prices.

31,260. (*Sir Nigel Kingscote.*) Do you think in the present state of prices that you can farm too well, that is, lay out too much money on your land for the return you get? If you farmed moderately well would you get a better return in proportion?—I think that there is not a doubt that a moderate way of farming would be more likely to yield a profit or return than excessive high farming would. As I came up this morning by the Great Western Railway, I saw a few pieces of barley and wheat; and I should think they are almost all spoilt by the rain.

31,261. (*Mr. Dalton.*) What is the union in which your farm is?—Wantage.

Rates on his own farm.

31,262. What are the rates in the pound now, altogether, that you pay on your farm?—Do you mean the poor rates?

31,263. What do the poor rate, the county rate, and the highway rate, come to altogether?—They go together; we pay the county rate from the poor rate.

31,264. Do you pay the highway rate out of the poor rate?—No, for that our parish is separate.

31,265. What do you pay for the poor rate then?—We pay about 1*s.* 3*d.* in the pound.

31,266. And for the highway rate?—From 9*d.* to 1*s.*

31,267. Is that less or more than it used to be?—Less.

31,268. It is less, although your rent has gone down so much?—Yes, very much less.

31,269. You, I presume, are paying less, on the whole, in rent?—A very great deal less on the whole.

31,270. Has there been a great fall in the rent?—Yes.

31,271. And yet there is a fall in the rate in the pound of the rates; how is that?—I do not quite understand your meaning.

31,272. You are paying now 2*s.* in the pound in the rates, whereas the average rate for Berkshire was more than 3*s.* a few years ago, and in the meanwhile your rateable value has decreased; how does that come about—what has caused the fall?—We do not give as much out-relief. I am chairman of the board of guardians, and therefore I know.

31,273. You have economised?—We have economised a very great deal. We do not give so much out-relief, and, of course, that has reduced the rates very much, for people will not go into the house; they are better off than they were.

31,274. And you have got also a good deal of assistance from the Government in aid of rates?—Yes, we get a great deal of assistance from the Government.

31,275. You are very much better off in that way than you were in 1871?—Yes.

Burdens on land abroad.

31,276. You seem to be of opinion, I think, that there are very few charges on the land abroad?—I am.

31,277. Have you ever read Mr. Goschen's report on Local Taxation in 1871?—No, I have not.

31,278. He says, "The burdens on land," that is in England," "are not heavier than they have been at "various periods of the century, nor as heavy as they "are in most foreign countries." It was in 1871 when he wrote that?—Did he take America?

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31,279. I cannot say; he says "in most foreign countries"?—When was that?

31,280. In 1871?—He was a Radical then.

31,281. If they were not so heavy in most foreign countries in 1871, and they have fallen a great deal since, I do not quite see how we are in a worse position in the matter of the burdens upon land than other countries are?—I do not think your quotation is quite a fair one. When he said most countries. I should think he meant such countries as France or Germany, or some countries like them. I do not think it is the case in the countries I allude to, mind you.

31,282. Do you know what the burdens are in America?—Very little. You can go and get the land there for nothing; I think they have got to pay something, but you can go and get it practically for nothing. Go and take America, take the Argentine Republic, take India; I do not think their burdens are very heavy, and it is those countries that are our ruin. It is not France, or any of the European countries; it is America and Australia, and such countries.

31,283. But your rates are much lighter than they used to be?—Decidedly.

31,284. (*Mr. Little.*) Do you, in your union, take rent as the basis of value?—Yes.

31,285. Then, when a farm is greatly reduced in rental, you reduce it at the board of guardians?—We do as near as possible, but I will not say that we go to the exact sum.

31,286. You take the circumstances into consideration?—We consider them a little, but it is very little; the rent is the basis.

Profits of barley growing.

31,287. (*Mr. Whitehead.*) Does barley-growing pay in your district?—It pays better than anything else; ours is a barley country.

31,288. Then it still pays to grow barley?—I think it does.

31,289. Notwithstanding the large importations?—Yes, notwithstanding the bad barley; and then the beer duty, and one thing and another knocks the price off the best.

31,290. Have you heard that brewers are buying the foreign cheap barley at about 18*s.* a quarter for malting, and are using it and finding that it answers their purpose?—I have heard they do buy foreign barley, but I did not know they could buy it fit for malting as low as 18*s.*

31,291. You have not heard that lately?—No, I have not heard that lately.

31,292. Would you be surprised to hear that that is the fact?—No, I should not be surprised at anything as regards foreign produce.

31,293. I am afraid that will reduce your profits on barley growing, if that comes to pass?—Yes, I am afraid it will.

Agricultural education in Berkshire.

31,294. (*Viscount Cobham.*) Are you doing any good in Berkshire with your technical education grant?—We are spending the money.

31,295. I want to know whether you are doing any good?—We are doing the best we can. I am an alderman on the County Council. They will not allow us to apply it to the rates, and we rather wanted to apply it to the rates.

31,296. Have you a dairy school?—Yes, we have a dairy school, and we give so much to bee culture, and yesterday we had a competition in farriery at Newbury; I went and saw it.

31,297. Are there agricultural lectures?—There have been, but they are not kept up. We give a certain number of scholarships to sons of farmers; we give 50*l.* a year to assist them in their education at some selected school; they go down to Aspatria in Cumberland; I think we have ten of those. Then we have 50 scholarships of 10*l.* a year for the boys in the elementary schools.

31,298. You spend most of your money in fact on scholarships?—We spend a great deal on them.

31,299. (*Mr. Little.*) Do you find much competition for the 50*l.* scholarships?—No.

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31,300. Not much?—Not much.

31,301. But they are filled?—They are filled.

31,302. By whom—sons of farmers chiefly?—By sons of farmers.

31,303. Is it confined to sons of farmers?—Yes, that is confined to the sons of farmers, but the scholarships for the boys in the elementary schools are given after an open competitive examination.

31,304. (*Viscount Cobham.*) Did the agricultural lectures have good results?—No; we thought it was an entire failure.

31,305. And they are not kept up, I think you said?—Yes.

31,306. (*Mr. Whitehead.*) Is yours a dairy country?—Part of Berkshire is—down in the Vale. Where I live is not a dairy country, but down by Wallingford and Wantage—Wantage especially, and round by Goosey—it is.

31,307. (*Viscount Cobham.*) Do you think better means of spending this money for the benefit of agriculture could be adopted?—No, I do not think so. I have tried to think it out, but I do not see any better mode of expending it.

Fall in rents.

31,308. You have spoken of the fall of rents; do you know of any case where there has been a very serious fall?—I know a farm where the rent has fallen from 370*l.* down to 70*l.* in 20 years.

Instruction in dairying.

31,309. (*Mr. Gilmour.*) How did you conduct your technical instruction in dairying; on what lines?—We have a lady as an instructress, and we get so many pupils at certain centres. They go round, and perhaps go to one village one day and to another village the next week, and so on. There are a certain number of pupils, about eight or 10 for each class; they give them a week's instruction, and then they have a competition to see which can make the best buter, and there is a prize given always. If sufficient enter for a second class, they go on there the next week and have another competition.

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31,310. Have you considered the benefit that would arise from sending a proper instructress to certain farms in order to let the people see, with their own implements, how to make the best butter?—No, we have not thought about sending them to people's farms. We have all the implements and everything at these dairy schools for people to go and see. It has been on now some two years, and a few of our people have followed it up since; my daughter did for one—she has followed it up, and certainly the butter is a very great deal better; it sells better, and makes more money.

31,311. Then they get a better price for butter made on those principles?—They get from 1*d.* to 2*d.* per pound more.

31,312. That cannot be known perhaps amongst the others?—It is pretty publicly known.

31,313. It is known?—Yes, it is.

31,314. Yet they have not the energy or emulation to try and carry it out?—At first it was looked on somewhat coldly; a good many would not go; they would not trouble about it; but since that has been known, and people have found out it does make better butter, and sells better—keeps better in fact, I think that is what you can say of it more than anything—there has really been competition as to who should enter the classes, and wherever we go we have plenty of candidates.

The witness withdrew.

Adjourned to Thursday next at 12 o'clock.

Fifty-fourth Day.

Thursday, 19th July, 1894.

PRESENT:

The Right Hon. GEORGE JOHN SHAW-LEFEVRE, M.P., in the Chair.

Viscount Cobham.
The Right Hon. Henry Chaplin, M.P.
Sir Robert Nigel Fitzhardinge Kingscote, K.C.B.
Robert Giffen, Esq., C.B.
Captain Owen Thomas.
John Clay, Esq.
Cornelius Neale Dalton, Esq., C.B.
Robert Lacey Everett, Esq., M.P.
John Gilmour, Esq.
George Lambert, Esq., M.P.
Charles Whitehead, Esq., F.L.S.

Herbert Lyon, Esq., *Secretary.*
R. F. Crawford, Esq., } *Assistant Secretaries.*
Freeman Thomas, Esq., }

Mr. J. Wilkinson. 19 July 1894.

Mr. Joseph Wilkinson, Keepwick, Wall-on-Tyne, called and examined.

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31,315. (*Sir Nigel Kingscote.*) You are a tenant armer, I believe, and you represent the Newcastle Farmers' Club?—Yes.

His own farm.

31,316. About what number of acres do you farm?—I farm about 900 acres. One farm has 500 acres, and the other rather over 400 acres.

31,317. How long have you occupied them?—One, the lesser farm, I have occupied for 31 or 33 years. The other, an adjoining farm, I took 10 years ago.

31,318. Are you a native of the county?—I have lived on that estate, and my father, and grandfather before me, for 120 years.

31,319. What sort of farm is it?—The most of it is grazing land. I think under the agreement there are about 200 acres arable land, but I only cultivate about half of that, or a little more. The other is fairly good pasture land. The grazing land is in a rather high situation.

31,320. Is there arable land upon each of the two farms?—No, only on the larger one of them.

Depression in his district.

31,321. Has the district in which your farm is situate suffered from agricultural depression?—Yes, it has, very much so. We have been passing through a period of greater or less depression since 1878. For a year or two—1883, 1884, and 1885—when we had rather good stock prices that saved us then, but since then we have been suffering very severely. We had not such a bad year in our part as you had last year in the south of England, but still we suffered very much from falling prices.

Fall in prices.

31,322. You consider the falling in prices of agricultural produce to be one cause of agricultural depression, do you?—Yes, and bad seasons and in-

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creased cost of labour on the land, and damages from game, and the effect of the Agricultural Holdings Act.

31,323. Take the first cause of depression, falling in prices; what have you to say on that point?—I think it is generally recognised and admitted that they have fallen to a very considerable extent.

31,324. Can you give us any figures to show it?—The fall in the price of wool from what it had been previous to 1878 has been probably 50 per cent.

31,325. Are there any other things?—The price of corn has fallen very materially with us; more particularly is that the case with reference to barley, the fall is rather over 40 per cent. in regard to it. I may say that very little wheat is grown in the district that I represent here.

31,326. As regards stock generally, cattle and sheep, what do you say?—We have had a fall in the price of both beef and mutton—a very serious fall. I may say that up to 1878 for a number of years we had generally mutton selling from 9*d.* to 10*d.* a lb., and beef from 8*d.* to 8½*d.* and in some cases 9*d.* a lb. During the last two or three years, and more particularly during this last winter, we have scarcely had 6*d.*—5½*d.* to 6½*d.* it has been for beef; sheep, 7*d.* to 8*d.* on account of the drought in the south last summer. I think we have an advantage in the North at the present time in the price of sheep, on account of the severe disaster that happened in the south of England last year, and sheep sell rather better in proportion than fat cattle.

31,327. (*Captain Owen Thomas.*) Do you speak of the retail prices as well?—Merely the prices we sell them at in the fat market.

31,328. (*Sir Nigel Kingscote.*) Which is your chief market?—Newcastle-on-Tyne. I may say I buy and sell the whole of my own stock, and I am a regular attender on the cattle market.

31,329. (*Mr. Clay.*) What per cent. has the price of cattle fallen?—We had 6½*d.* a pound up to last month. That is rather over 30 per cent. fall, and I may say, in dealing with the cattle question, that store cattle somehow or another are not found in proportion to fat cattle.

31,330. (*Sir Nigel Kingscote.*) Do you mean store cattle have kept up higher prices?—Yes. I think I may explain it to a great extent in this way, that in Northumberland we depend upon Ireland for a large quantity of grazing stock, and from some circumstance or other they send us a very much larger number of fat cattle, instead of lean ones, than they used to do.

Remedy for fall in prices.

31,331. Do you see any remedy for these low prices? Do you look for better prices in the future?—No, I cannot say that I do. Honestly I must state that fact. Of course, circumstances may arise in the future to alter it, but I cannot see myself that with cheap steam navigation and an increased quantity of food being brought here that there is any particular prospect before us, barring barrenness and calamity.

Reciprocal free trade.

31,332. Do you think free trade has anything to do with it?—I am of opinion that the fiscal policy of this country should be reconsidered, with a view to securing genuine free trade. The hostile tariffs of other countries have done a great deal towards depressing the prices of agricultural products, as well as other things, and we ought in our own interests, as well as in the interests of humanity, to arrange our tariffs so that we might be in a position to bargain with other countries for reciprocal free trade. The conditions affecting commerce have undergone great changes since our present system was instituted, and we should therefore reconsider our policy by the light of these changes.

31,333. Does that mean you would like to see the country return to the system of protection?—No; honestly no. I am not in favour of the policy of protection. I do not think it is suited to this country, but I think we have surrendered too much without getting anything in return.

31,334. Have you any remedy to apply in that respect?—It is just a question as to how far we should buy certain articles from foreign countries with the present duty upon our manufactures. What I hold we are suffering from is the fact that the fall in the price of agricultural produce is putting an end to a lot of land cultivation. It is driving the labourers into the towns, but they cannot all find employment there because all the manufactures are being taxed by other countries.

31,335. Would you like to see a tax put upon an article like flour?—No; I do not think that with the large population we have to provide for it could be very honestly recommended.

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31,336. In addition to the falling prices, you have had bad seasons as causes of depression?—Extremely bad seasons, and I may say that two or three of those seasons have been more disastrous to us than these falling prices.

Bad seasons.

31,337. Have you anything to say as regards the increasing cost of labour?—I would like to draw the attention of the Commission to the bad seasons. The loss from bad seasons has not been merely a simple and direct loss resulting from damage to crops, and that sort of thing; there have also been complex and indirect losses, arising in this way:—The fall in prices took place in respect to corn at an earlier period than it did in respect to beef and mutton, and consequently when corn growing became unprofitable, farmers thought it good policy to sow away as much land as possible to permanent grass. But it so happened that this transition period occurred during the bad seasons when it was difficult to work the land properly, so consequently much land was sown away in bad condition. The increasing cost of labour and the unsatisfactory conditions of tenure would help to accentuate this evil by deterring the farmer from doing the work as thoroughly as he ought to have done it. I think I might say in dealing with bad seasons that it is not only the corn crops that they have had an effect on, but I believe they have had more effect upon live stock. Some of these excessively bad seasons reduced the produce of all our sheep flocks, and left them in an extremely bad condition as to a good deal of them, and there was more waste and loss arose in connection with them in the North of England than was estimated to be the case. Take, for instance, if you will, the regular cost of a sheep farm. You have an immensely smaller quantity of sheep than you can sell at the higher prices, and a very much larger quantity than you can sell at the lower prices, than ought to be the case if there was a just proportion maintained between them. In the year 1886–7 the corn crop was lowest, but it was also very bad in the year 1892.

Increased cost of labour

31,338. Then you think that the causes of agricultural depression, from falling prices and bad seasons and increased cost of labour, are very much bound up together?—Yes. With respect to labour the cost is greater. A certain class of it is getting more difficult to get.

31,339. Do you mean the quality of work?—No, a very large quantity of the field work in Northumberland has been done by women up to a year or two ago. That class of labour is more or less disappearing. I think women were probably not over well paid, but we have now to do more work with men, and it costs us more. I may say I come from a district of England where we have the highest paid agricultural labourer in England. A good many men have 1*l.* to a guinea a week, and 18*s.*, 19*s.*, 21*s.*, and so on; and there are free crops of potatoes that the family will use, and there is regular employment.

31,340. Do you agree with what was said by one witness from Northumberland here, that taking everything into account they got from 23*s.* to 25*s.* a week?—I think that is rather high, but it depends on what you value your house rent at.

31,341. Would that be 1*s.* 6*d.* a week?—Yes, but I might say with respect to my district, that wages are slightly higher in the portion of the county that I come from than that which Mr. Scott represents. We are nearer hand to the great coal districts, and there is a tendency for the men to go there. We are nearer hand to the great mining centres than are those that Mr. Scott represented, and our younger men leave us very much on that account.

31,342. Do you think at the present moment that you are paying more per acre for labour than you did 10 years ago?—Yes, slightly.

31,343. And the quality of that labour is no better, is it?—It is no better, but I would not like to say it is any worse. I do not think we can mend matters by interfering with our labour. I find no fault with it. It is as good as anybody has in any other county.

Land badly laid down to grass.

31,344. Then as regards the land, are you of opinion that a good deal that has been laid down to grass has been injudiciously laid down?—I do not think it was injudiciously laid down, but it was a matter of necessity. It could not be farmed so as to pay at the prices corn and labour were at after 1874–1875.

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31,345. But otherwise you would not have put stock upon the land, which is now partly carrying stock and is partly laid down. Is that what you wish to say?—For instance, to enlarge upon what I have already said, the fall in the value of corn was much more felt by the farmer on inferior land than on the better sorts of land, and consequently it was the inferior lands that were mostly sown away for grazing purposes. But the fact of their being of an inferior quality rendered these lands much more difficult to sow away satisfactorily, and when they had become pastures caused great difficulty in getting suitable stock for them. I am sure that great losses have occurred amongst stock that have been put on to land for which they were unsuited. Moreover, the description of fat stock produced on these inferior pastures has turned out to be just the grade that has most suffered in price from the competition of foreign meat.

31,346. What do you mean by that?—Meat imported from abroad. Meat from abroad competes mostly with the second-class produce of our own country.

31,347. The produce is not good enough to make it pay to fatten it?—No, not sufficiently good; and I say that that land, in respect to its management, has led to a good deal of misfortune in Northumberland. That land was laid away to grass, and a good deal of loss from sheep stock has taken place upon it from bad seasons.

31,348. You mean it was not really suitable to carry sheep?—Not at the time it was done, but probably I may say that with a plentiful application of artificial manures, such as slag, superphosphates, a good deal of that land has been brought into better condition.

31,349. (*Viscount Cobham.*) Was it laid away without corn crop?—Mostly without corn crop, but I do not think that made any difference. It was not well laid away, and the result has been that we have suffered from very severe loss from the land. It may not be important, but I do not think it is the tenant's duty to make the land better than it is without being paid for it.

31,350. (*Sir Nigel Kingscote.*) What is your idea as to what should be done? Do you expect the Government or Parliament to alter the nature of the seasons or the character of the land?—I may just give you what I think should be the remedies. The tenant farmers of my district are quite prepared to contend against adverse seasons if they had fair play against foreign competition, freedom from cattle disease, and proper security for improvements on their farms.

Reciprocal free trade.

31,351. I do not quite understand what you mean by fair play as to foreign competition?—That is, with respect to the question of free trade. Really the principles of free trade are best if Parliament can use any efforts to secure them to us. It is only one-sided to say as far as our manufactures go, they are going into the hands of manufacturers abroad. I know, as a fact, that on the banks of the Tyne industries are entirely disappearing for that very reason.

Marking of foreign meat.

31,352. Do you wish anything done as regards the marking of foreign meat or foreign produce?—I must say there is a difficulty in this marking of foreign meat. It will be difficult to follow out, but I think it might be met to some extent by a provision that any man selling foreign meat should have to put up a notice to that effect upon his shop. It is a difficult thing to mark every joint of foreign meat.

31,353. Would you have a man take out a licence before he could sell it?—I think that many men sell it, and if they had to put up a notice that foreign meat is sold here, a good many customers would never enter their doors again. They have it now smuggled in under the name of something else.

Railway rates.

31,354. Have you anything to say as to the railway companies?—Yes, I have a good deal to say with respect to them. I think the railway companies by increasing the speed and giving greater facilities send foreign produce to the great centres of population, and so give an unfair advantage to foreign dealers; and by becoming owners of shipping as well as owners of docks, they evade the Act of Parliament which meant to give all equal rights. I believe evidence could be produced that the shipping charges from a foreign country to a home port are practically nothing. They could not carry much if they were shipowners alone, but combining the two occupations they do a great deal to our prejudice.

31,355. What are you alluding to now?—To railway companies.

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31,356. But I mean what is being carried by them—is it wheat or live stock, or what?—I will take an instance communicated to me a few days ago: "From "many ports of France—Honfleur, Cherbourg, Caen, "Lisieux, &c.—eggs are being landed at Southampton, "and conveyed thence 78¼ miles by rail at a total "charge of 25*s.* per ton delivered, or 5 cwt. for 6*s.* 3*d.*"

31,357. What are you reading from, because we want your evidence. Is this from a newspaper, or what is it from?—It is from an article published by the Mansion House Association on railway and canal traffic.

31,358. If you could give us any evidence of your own it would be better, because we can only take that?—I only have general evidence on the matter, that articles are brought by ship from foreign countries and landed in the centres of population in England at a rate such that the parties carrying them get little or nothing for shipping charges. The Act of Parliament should give equal rights to the British producer.

31,359. You mean that native goods ought to be carried as cheaply as foreign goods?—Yes, they ought to be compelled to charge the same rates as shipping companies. I think they have evaded the Act of Parliament by becoming the owners of docks and ships, and I think that no railway company should be an owner of ships or docks. I wish to bring before the Commission that much of the land gone out of cultivation will not be brought under the same system again as it has been, but will be manipulated by a different class of cultivators who might be attracted, such as dairymen and producers of various classes of garden produce, and also small holders for breeding young stock, all of whom will do a great deal of work themselves by means of their own families; but their produce must be placed on the market with cheapness and speed, and if the railway companies nursed British industries as they have been nursing foreign ones, our position would not have been so serious. I know from my own case that they can bring butter from Denmark and land it in Newcastle as cheap as I can land it 25 miles away from my place by rail.

31,360. You know that of your own knowledge, do you?—I know that of my own knowledge.

31,361. And you think that the Legislature ought to step in and make the rates more favourable to the agriculturist?—No, not more favourable; but I say that the railway companies ought not to have the power, by using shipping, and charging little or nothing for shipping rates. They charge practically nothing for shipping. They land eggs and other produce from Southampton to London from France at a cheaper rate than they will charge for landing them in the neighbourhood of Southampton. That is the effect of the evidence given already, I believe.

31,362-3. (*Viscount Cobham.*) If foreign produce is carried cheaper than home produce it is against the law, so why do not people who suffer from it take action themselves?—A small man is not exactly fond of going to law with a railway company, who will take him through all the courts of the realm up to the House of Lords.

31,364. But you have Chambers of Agriculture, have you not?—Yes, and we are acting through the Mansion House Committee, and we know the difficulties they have in dealing with that question, let alone an individual. I hold that the railway companies are the greatest enemy of all to the agriculturalist.

Losses of tenant farmers from cattle disease.

31,365. (*Sir Nigel Kingscote.*) Now, have you finished upon that subject?—I do not think the loss which the tenant farmer has suffered from cattle disease has been properly estimated. I may say I commenced as a farmer, when the cattle plague first appeared in the country.

31,366. Did you suffer from that?—Indirectly I did. I will go to this extent, in the Newcastle market I was once selling my own stock in the market, and a cattle man was standing next to me, and I asked him where he had brought his cattle from, and he said from Hungary from the Austro-Hungarian Empire. I said, "Why do you bring them here?" and he answered, "They are all dying at home" and the result was we were compelled to send our own away after we had been standing in the market. People got out of cattle at that time.

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31,367. But that is many years ago?—30 years ago.

31,368. And that cannot occur now?—I understand we are dealing with the causes of depression before we come to the remedies.

31,369. Quite so?—I may say that the cattle disease spread over Cumberland and Northumberland, and it destroyed the breeding stocks of many farmers, and we are not always in a position to replace them again.

31,370. What do you say as regards the present state of affairs?—We have had foot-and-mouth disease again, and that has done us a great deal of harm. I may say that I have had experience of both foot-and-mouth disease and lung disease. The losses to the agricultural community and to the nation during the last 30 years from contagious diseases in animals have been enormous. Not only the actual loss from disease has to be considered, but also the loss arising from the necessary local restrictions on the movement of stock when disease is prevalent, which entailed great sacrifices on the part of farmers; and the losses entailed by the changes in farm management, which the prevalence of disease has rendered necessary. These losses have fallen with peculiar severity upon the smaller farmers, who in many cases are breeders of stock, and their interests ought to be considered in dealing with this question. Then before the present laws were enacted for the suppression of disease, the breeding of cattle was seriously curtailed by the actual destruction of breeding herds and from fear of further losses by disease, and even now a full feeling of security is not established, as we never know the moment when fresh disease may be introduced by the removal of restrictions on the importation of foreign cattle.

31,371. Do you think that applies now?—There is not so much danger now as there was, but I am drawing the attention of the Commission to the great difficulty that exists now with regard to it. In my opinion it would be wise to pass an Act of Parliament permanently excluding the importation of cattle from abroad except for the purpose of slaughter at the port of debarkation. This would create a sense of security, and breeding of cattle would be so encouraged that an ample supply of home-bred animals would soon be forthcoming to meet all requirements. The present state of uncertainty creates an additional evil, because home breeding is discouraged by the possibility of foreign competition, and yet foreign store or lean stock do not come in, and so store stock are scarce and relatively dear, and the occupation of the farmer who feeds or fattens stock is rendered more or less unprofitable. It does not lead people to go in for breeding as they ought to do. I think it ought to be fairly decided that we may not have lean stock come in for a period, and then be stopped two or three months.

Slaughter of imported cattle at ports of landing.

31,372. I gather you would like to see the importation of live stock from abroad prohibited?—Yes, except they were to be slaughtered at certain fixed parts suitable to the requirements of the manufacturing districts.

31,373. And do you consider that all over Great Britain stock can be reared in sufficient quantities to supply the demands of those who want stock?—I have not the slightest doubt about it. As to the possibility of feeding foreign cattle, that only applies to counties in the position of such counties as Fife and Forfar and one or two other counties in Scotland. I may say that I am a feeder myself, not a breeder, but I hold strongly to the opinion that we cannot secure satisfactory breeding at home except under different conditions from those which at present prevail, and the conditions ought to be different if we are to be safe for the future.

31,374. That is to enable you to get immunity from disease?—I think it would be best in the interests of the whole country that dead meat might come to suit the working population in any quantity, and I wish to draw this to the attention of the Commission, that it has always been said that by interfering with cattle importation we are increasing the price of meat; but it is the fact that since the cattle disease was dealt with we have had meat cheaper and cheaper, so that it does not follow that we are going to increase the price of it in tha way.

Rates and taxes.

31,375. Now what have you to say with regard to rates and taxes?—I think the effect of legislation is largely to increase rates and taxes, and they ought to be divided between landlord and tenant in England, as they are in Scotland. I think it is grossly unfair that the English tenant should pay income tax upon one-half of his rental while the Scotchman pays upon one-third. I do not know who the genius was that invented the idea that half a man's rental was profit.

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Security or improvements.

31,376. What do you wish to say about a security for improvements?—I regard it as an imperative necessity that the Agricultural Holdings Act should be amended; and in suggesting the lines on which amendments should proceed I would just like to say, in passing, that I have no desire to see any injury done to the landowners. The legislation we seek for is merely intended to put a stop to injustice, and keep up to the mark the owners of badly managed estates. Such legislation would be to the advantage of the honest owner, and would promote the interests of the community at large. I think, then, that for the purpose of making permanent improvements the landowner should be entitled to borrow money from the State at a low rate of interest. I have had some practical experience in that respect. On the two farms that I occupied there have been 1,800*l.* spent upon them this last 15 years.

State loans for improvements.

31,377. On improvements?—On drainage, buildings, and other things. That money cost 7 per cent. or something near that.

31,378. (*Viscount Cobham.*) Do you pay the interest on it?—Yes, I pay it every year.

31,379. (*Sir Nigel Kingscote.*) Do you know how it was borrowed?—It was borrowed from the Land Improvement Company, and spent in drainage and other things, and I say, if that money had been borrowed at 4 or 4½ per cent. it would have been a practical commercial transaction and might have done good, but at the rate it is borrowed at it is simply impossible to spend it profitably.

31,380. Do you think that if money was lent at a less rate of interest improvements could be made, and would be made more than they are now?—It would be profitable, and I think a good deal could be done in the North of England in the way of drainage and building of cottages for small holdings.

31,381. (*Viscount Cobham.*) Is it the usual practice to charge the whole of the interest and sinking fund?—In my case I did. I paid the whole of it myself, and I think it is done so in most districts.

31,382. (*Sir Nigel Kingscote.*) You, as tenant, have paid the whole?—I paid it up to a few years ago, but I am taking my farms at a reduction. There was a difficulty in getting a reduction, though the high interest had to be paid out of the rent.

31,383. But has money been borrowed for the farm on which your father and grandfather worked for so many years?—There will be some borrowed on one farm, but I am not occupying the same farms altogether. My farms are on the same estate, but they are not exactly the same farms.

Interest of life owners in their improvements.

31,384. Then what do you say as regards improvements?—I think it highly desirable that owners of estates who are only life tenants should be entitled to the absolute ownership of all improvements which they may make on their estates. I have known instances of farms which were placed at a serious disadvantage from want of improvements, just because the owner had only a life interest in the estate and so did not feel disposed to spend money on it. I may say that I live upon one of these estates at present. It passed into the hands of a non-resident owner and he is dead, and it now belongs to I do not know how many people, and they none of them will do anything but collect the rent.

31,385. Would you allow the tenant to make what is called improvements without the consent of the landlord?—In certain cases, if it were suitable to the holding, I would.

Compensation for improvements.

31,386. How about compensation at the end of the tenancy?—I am strongly of opinion that the increased fertility of the soil due to continuous good farming should be the property of the tenant. The operation of the law as it stands, by which an outgoing tenant only receives compensation based on the quantities of artificial fertilisers and feeding stuffs used during the last three or four years of his tenancy, is not a sufficient recognition of his interests in the soil. Indeed, the law operates in a way quite detrimental to the farmer who practices continuous good farming, because such a farmer is liable to a demand for an increase of rent owing to the increased fertility, and consequently

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increased rental value, which he himself has brought about by the expenditure of his money, and the application of his knowledge, skill, and industry to the land. Of course, it would be equally fair, and I think very desirable, that the owner on his part should be allowed compensation for decreased fertility due to bad farming. Under the present Act an owner cannot make a claim unless the tenant has first done so. The Act may, therefore, be said to offer an inducement to bad farming by opening the door to unscrupulous persons, who would take a farm in a high state of cultivation for the purpose of running it down in condition and taking all out of it they can get. To protect themselves against this sort of thing owners are compelled to insist on agreements, the conditions of which are in some cases most oppressive, and calculated to seriously impede the operations of the honest farmer. It is nowadays more than ever essential that the farmer should have the greatest freedom in cropping, in the sale of his produce, and in the general management of his farm.

Agricultural Holdings Act.

31,387. What do you wish to see enacted?—We wish to see an improved Agricultural Holdings Act, that will give us the full value of our improvements and secure good management for a number of years, at the same time giving the landlord proper security for deterioration.

31,388. You consider the present Agricultural Holdings Act is not good enough?—It is not worth the paper it is written on. I may say I have had a claim under it, and I have dealt with it in several cases under an arbitrator, and the amount you get is scarcely anything.

31,389. Have there been any references under the Agricultural Holdings Act in your district?—Not a very great deal. I believe I had the first myself that ever was held in the county of Northumberland, and I may say that I spent 1,400*l.* in four years in cake and manure in that instance and got 160*l.*

Compensation for increased fertility and for deterioration of the soil.

31,390. May we have your ideas of what you would like to see enacted? How would you deal with compensation for increased fertility of the soil, or a deterioration in the fertility of the soil?—I may say that old systems of farming are not altogether suited to present day requirements. For instance, in some seasons hay and straw are far more valuable in the market than as an article of consumption on the farm, and yet agreements as a rule compel the farmer to use these at home. It seems also not unreasonable to expect that with the advances in knowledge likely to arise from the spread of technical education the methods of farming will undergo further changes in the future. I think there should be some tribunal to which the tenant could appeal as to whether the terms and conditions of an agreement are just and reasonable, and that if any such terms or conditions were found to be unjust or unreasonable he should not be held liable for any infringement thereof. It is not unusual for burthensome and vexatious conditions, which are neither sound from an agricultural point of view nor in accordance with common sense, to be imposed on a sitting tenant, who may be induced to accept them rather than leave his farm, because to give up his farm means to him great loss and expense for which he can get no compensation. It is a serious matter, for instance, to be forced to place a valuable farm stock on the market for compulsory sale, just, perhaps, at a time when values are much depressed. And this brings me to the question of fixity of tenure. Although I am not prepared to say that I advocate absolute fixity of tenure, yet I think the tenant should be protected in some way from arbitrary notice to quit, say by being allowed compensation for disturbance, and should not be obliged to pay more than a reasonable rent. The tribunal which I have already suggested might deal with these two matters also.

Fixity of tenure.

Landlords.

31,391. What is your proposed tribunal?—I think some land court should have some means of dealing with agricultural holdings cases. A court of some kind should deal with the cases under the Agricultural Holdings Act. It should be so constituted that claims could be submitted to it, and also questions of notices to quit and other things where they are arbitrary.

31,392. You want a court. I do not quite understand that. Do you want the court or the Act altered?—I want the Act altered. I want better effect to be given to the Act, and I say there should be some tribunal created under the Act.

31,393. What is the nature of that tribunal that you wish to see created?—It might be some judge appointed by the county councils of the county. But what we complain of in Northumberland is this, that the sitting tenant perhaps has farmed his farm well and cannot get as fair a bargain for that as does the man who farms his farm badly. On that point I may submit my own agreement under which I hold, and I say that it is not common sense that I should be told to sign such agreement or to quit my farm.

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31,394. Do you say that the court should fix the rent?—No, not entirely, except in exceptional cases.

31,395. What would you call exceptional cases?—I think if we had the tribunal in force the necessity would not arise so often as it does now for interfering. We want some tribunal to appeal, not against the good landlords but the others. I do not say but that there are owners as good or better than legislation will make them, but in every county there are a number of men who never come near their property, and who leave it entirely in the hands of others to manage.

31,396. (*Viscount Cobham.*) Are they in the habit of giving arbitrary notices to quit?—When you want your farm rent reduced you cannot get it done as you ought to have it done.

31,397. (*Sir Nigel Kingscote.*) You mean reduced as to rent?—You cannot get a sufficient reduction of rent so as to enable you to meet the requirements of the times.

31,398. (*Viscount Cobham.*) You speak of arbitrary notices; what do you say with regard to them?—I gave my farm up on account of game abuses 10 years ago and was told I would not have it at any price again.

31,399. (*Sir Nigel Kingscote.*) Then you want a court, as I understand it, to fix rents as well as to deal with arbitrary notices?—In exceptional cases I submit it would be necessary.

31,400. (*Mr. Chaplin.*) Who is to decide whether it is an exceptional case—the court itself?—Let the court decide it.

Restrictive covenants in his own lease.

31,401. (*Sir Nigel Kingscote.*) Then every case would have to go before the court?—My impression is that it would not be necessary to take so many of them. If there was an appeal against arbitrary proceedings I think that in the end we should get fair play. I wish to submit my agreement here. I am compelled to farm upon a four-course system, and when I objected to be bound by that I was told to sign that agreement or quit the farm, and a four-course system, I may say, on my farm is simply lunacy. That is the only way of putting it.

31,402. (*Mr. Chaplin.*) You were already in possession of the farm, I understand?—I was in possession of the farm.

31,403. What was the agreement like?—Similar to this, but I may say that I took it when farming was better than it is now, but I wanted my agreement altered to meet the new condition of things. I bought a good deal of land that was laid out of cultivation when I bought it, and I wanted the landlord there to buy that land or to take it at a valuation, and he refused to do so, and I am compelled to farm in complete contradiction to that agreement, and I say that is an arbitrary proceeding.

31,404. (*Viscount Cobham.*) Is that restriction as to the four-course system put into practice?—Yes, I may say I have 200 acres I can plough, and I am not speaking of my own case alone. I wish to say that I am in a similar position to that of a large number of other farmers in my own county, and these are the conditions in force. We have laid away the land to grass, and I may say in my case we have used a good deal of artificial dressing upon it, and the owners will not buy it, and we cannot work farms under that condition of things.

31,405. (*Sir Nigel Kingscote.*) Are not the agreements altered to meet that case?—No, my agreement is of the same kind, I should think, as existed in the days of the Tudors.

31,406. But have you been interfered with?—No, but I may say I had a notice to quit last year on account of different ownership, and I am living under notice to quit now. Through the change of ownership the farm is for sale, and I was under notice to quit last autumn, and notice to quit was given last May, but I cannot keep to that agreement under such conditions.

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I do not wish to have one thing that belongs of right to the owner, but I say that there ought to be fairness and reasonableness in an agreement if it is to be kept.

31,407. (*Viscount Cobham.*) Do you religiously keep to the four-course system on your farm?—I never pay the slightest attention to it.

31,408. (*Mr. Chaplin.*) What is your alternative?—I say that the question of fairness and reasonableness of an agreement should be submitted to a fair tribunal at the end of the tenancy. I do not care what the tenancy is, but it should be a fair one.

31,409. I understood you to say you were compelled to apply to have your agreement altered, and it was refused?—I was told to sign the agreement or leave the farm. My agent said: "I shall not make my "agreements to suit you, but all classes of people."

31,410. If you left your farm now would you do so at a loss?—Yes. I may say that knowledge of the land is of value in our county, and in recent years I have had to adapt the land to different conditions. I have Cheviot stock, and it takes a number of years to get a proper stock together of that kind, and it is not the work of a year or two, and I do not consider it fair to have my stock forced upon the market at an inopportune moment.

31,411. (*Sir Nigel Kingscote.*) By Cheviot you mean sheep from the hills?—The sheep bred on this land breeds a good deal better on this land than others, and I say the tenant farmer wants some protection in regard to selling them. I may say my own agent said to me once: "You cannot afford to sell your stock in "these bad times"; and I say he has no right to exact rent from me under these conditions.

Land courts and arbitrary evictions.

31,412. You want a legal court constituted to deal with these matters?—Yes.

31,413. (*Mr. Clay.*) You say it is a very serious thing for a tenant to be forced away under these conditions?—Yes, with such a Cheviot stock as I have got.

31,414. Is stock bred on the ground more valuable than stock not so bred?—I may say that I bought a few ewes last year to make up a loss, and they have not done so well as my own sheep bred on the farm.

31,415. When sheep are bred on the ground they are more valuable than stock bought here and there?—Yes, and if you have a large stock of that kind of sheep, then to be forced away in an arbitrary manner is not just.

Land courts and value of manures and feeding stuffs.

31,416. (*Sir Nigel Kingscote.*) Would this court that you wish to see established decide everything as regards the value of the fertilisers and feeding stuffs that you used?—I may say that is a very costly matter at the present moment. I may say I have been concerned in four or five cases, and charge as lightly as you will there is always a good deal of cost incurred, and I think if a less expensive tribunal were established it would be a great advantage. I might say I honestly believe myself if we had this power of appeal there would be very little occasion to utilise it in our county.

31,417. (*Captain Owen Thomas.*) Has this matter been discussed in the Newcastle Club?—Yes. I have had some discussion there, and I know that my views are in accordance with the views of the majority of farmers.

31,418. (*Sir Nigel Kingscote.*) The Farmers' Club endorses your views?—The majority of them do.

Ground Game Act.

31,419. Have you anything to say as regards damage by game?—I am sorry to say that up to 1880 we suffered a good deal from game, such as rabbits and pheasants and other things. The bad times have made them a bit scarcer, but I am sorry to say they are making their appearance again.

31,420. But since that time there has been the Ground Game Act passed?—Yes; but if you get a quiet hint from your landlord that you had better leave the game alone, I know what that means.

31,421. What do you wish to say as to that?—I may say, in passing, that I think the owner who does not leave his property, but discharges his duty, is entitled to a fair day's sport, but to keep and preserve game for commercial purposes at the tenant's expense cannot be longer tolerated in this country, and I do not think it will be.

31,422. (*Viscount Cobham.*) Has the shooting on your farm been let in recent years?—It is not let at present, but up to recent years it has been. I myself left a farm some years ago because it suffered a great deal of damage. I was turned out of it on account of game, in fact.

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31,423. (*Sir Nigel Kingscote.*) You have an objection to shooting tenants?—Some of the owners are not much better.

Effects of strikes on agriculture in Northumberland.

31,424. Have you anything to say as to the effect of strikes on agriculture in your neighbourhood?—I think I may say they have a very serious effect upon the purchasing power of the working population.

31,425. In what way?—I may put it in the shortest way, and the most convincing way, if I say that the butchers coming to buy in the fat market from these centres say such things as—"We want nothing this "week, for people are all out of work and they cannot "buy."

31,426. In fact, when the mining population or manufacturing population are at work you are able to sell your beef and mutton at a better price, or at all events more easily, than you can when a strike is going on?—Certainly. I have no doubt if people could get fair and regular employment our agricultural depression would to a great extent disappear.

Arbitrary notices to quit.

31,427. (*Viscount Cobham.*) I can understand notices to quit such as you have received being vexatious, but I want to know whether such notices are often acted upon?—No, not often. I may say as to one estate in our county where several farms were given up in turn, when one man was obliged to go, the agent only said, "I have shot one crow and frightened the rest." I do not like that kind of thing hanging over our heads, and I will not tolerate it; that is all that is about it.

31,428. The man had to leave his farm for purely arbitrary reasons?—The farm was given up over the question of reduction of rental. It is not a very nice matter, leaving your stock and everything in your district which you have been brought up in.

31,429. And it is not a very nice matter for the landlord to have a large farm on his hands, is it?—There is practically no land to let in Northumberland.

Competition for farms.

31,430. There is always competition for a vacant farm, is there?—There is more than usual this year. People with perhaps a few hundred pounds are rather disposed to embark in farming from various causes, and these people are our competitors.

31,431. Do you get competition from outside?—Yes, from people that are not farmers. I may say there have been three small farms let within a mile of me, and the holders are not farmers.

31,432. Then the occupation of farming presents some attractions still?—A man with a few hundreds can scarcely get an investment for it, and if he has a family he is rather induced to try farming.

Price of meat.

31,433. And comparing farming with other investments, you think an investment in a farm has its attractions?—Such a person as I am speaking about is thinking that at present, but he has his experience to purchase.

31,434. (*Mr. Whitehead.*) You get 6*d.* a pound for your meat, you say?—Yes, 5½*d.* to 6½*d.*

31,435. There is an enormous difference between the former prices and present prices, is not there?—I may draw your attention to this circumstance, that there is only a very small portion of a beast that is first-class quality; most people that have the means to do so buy that quality, but as to the rest of the beast there is great difficulty in selling the coarser parts on account of foreign competition coming in.

31,436. Do you think that the retail prices charged by butchers are not excessive?—They are not very excessive, if you consider that you are buying what is termed a luxury, the better cuts of beef and mutton.

Employment of women in agriculture.

31,437. Going to another question, what kind of work did the women do formerly?—They hoed turnips and took up the corn in harvest-time after the mowing machine.

31,438. (*Viscount Cobham.*) They do that now?—But we cannot get them so readily, since they have got better educated they are leaving such work.

31,439. (*Mr. Whitehead.*) Is women's work of that kind cheaper than men's work?—It is 15*d.* a day for the girl's except in harvest time, when they have from 2*s.* 6*d.* to 3*s.* a day.

31,440. Is their employment, from a moral point of view, desirable in such work?—If the cottages are satisfactory and healthy it is desirable enough.

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31,441. Then you say your labour bill is higher than in former times?—It is higher, and the labour is more difficult to get at the proper seasons.

Cost of labour.

Small holdings.

31,442. I think you spoke of small holdings and advocated them as being desirable to be extended in respect to cultivation of garden produce and so on?—Yes.

31,443. Do you know of instances of success in that matter?—I think myself, as I have already mentioned, there are a number of people who cannot get suitable investments for small capital, and they have a tendency to take to farming. I do not say that the small holder is any better than the larger one.

31,444. Do you think small holdings should be extended?—I think so.

Dairy farming.

31,445. What do you say about dairy produce?—I say this, a man with a family of his own can make a dairying business a success if he is near a railway station, whereas a man that has labour to hire cannot. On these farms that I have mentioned as being let, in one or two cases a man's family does the dairy business. There was a blacksmith took one farm.

31,446. (*Sir Nigel Kingscote.*) What size farms are they?—60 to 80 acres or 120 to 140 acres.

31,447. (*Mr. Whitehead.*) It is in those circumstances very likely to be satisfactory, is it?—Yes, but at the same time I think the people work very hard for what they get.

31,448. And much harder than labourers do?—Yes, a great deal.

Technical education and methods of farming.

31,449. You stated in your opinion, I think, that the methods of farming would have to undergo further changes on account of technical education. Tell the Commission what you mean by that. Do you mean improvements, or changes in the method of cultivation?—I think we have got out of the trough of bad times, and we are adapting ourselves to new conditions. We know more about the value of cakes and manure than we used to do, and we have learnt to be more economical in their use, and not to spend too much on them. I think the tendency now is with regard to the large quantity of foreign produce that has come into the market, to make it a question whether it is a wise proceeding to use so much cake and manure competing against it.

31,450. You think the farmers have been educated by the technical education committees?—Technical education is not of much practical value unless you have practical acquaintance with your work as well.

31,451. What sort of technical education do your farmers get in your county?—Lectures on the value of manures, and lectures on improved system of dairying and butter making—a good deal may arise from that. I think there is a tendency to use more artificial manures on poorer lands if we had perfect security for having used them.

31,452. And the tendency of your farmers is to improve themselves?—In the majority of cases; but most men farm very well in my neighbourhood. I come from a district where we buy and sell our own stock and take a practical part in the working of our farms, and you will not find one man in a hundred riding about his farm as a gentleman, whatever the size of his farm may be.

Damage by game.

31,453. As to game, have you had any losses through that?—I had a farm on another estate for four years, and I left that farm through the game entirely, after a serious loss through it. Previous to that we suffered a good deal from rabbits on the estate on which I lived. I may say the landlord was a respectable man, and did not act unfairly to us in other ways. He allowed a lot of rabbits to be about, but he did not punish us in regard to rents.

31,454. Did you get any compensation?—Not a penny.

31,455. You said that some farmers had quiet hints from landlords not to kill game. Have you had such hints?—Not myself, but I know cases where they have been given. In one year I had a notice from my agent that if tenants interfered with game there would be no improvements done for them. That applied to myself.

31,456. (*Mr. Clay.*) I think your part of the country has lately been given more to grazing?—Yes.

31,457. What about breeding of cattle?—Not so much breeding of cattle; it is rather more a feeding district for Irish cattle, although in the western and north-western portion of the county the breeding of cattle is still the principal occupation among the small occupiers.

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Breeding of cattle and importation of foreign beasts.

31,458. Do you think the breeding of cattle has been at all curtailed through the fear of disease coming upon that class of stock?—Yes.

31,459. And if you were completely freed by Act of Parliament, and were enabled to keep out all disease from all parts of the Continent, do you think the breeding of cattle would increase with you?—Yes, I think we should have a more regular price for lean stock, and that would be an inducement for people to go in for it.

31,460. And the farmers would have a better class of agricultural stock, and more of them?—Yes, that is my opinion.

31,461. You are not like the Forfar man who advocated the admitting of cattle from all parts and taking the risk of disease?—I do not think anybody can feed these American cattle except in Forfar and Fife. I do not think anybody has land or turnips of sufficient quality to feed them but in Fife and Forfar and Aberdeen.

31,462. Would the admission of cattle into this country from Canada even mend the chance of the disease being stopped?—I should like to see it stopped. I say the few cattle that come are as nothing.

31,463. But the risk of disease is serious?—I take it you are aware of the difficulty there is of dealing with that disease at the present time.

State loans for improvements.

31,464. With regard to the lending of money, do you consider that 7 per cent. is too high a rate for a man to pay, and at the same time make a profit out of the transaction?—It is out of all proportion to the value of money at the present time.

31,465. And do you think if Government were advised to give money at 3½ per cent. great impulse would be given to the improvement of the land and to the general trade of the country?—I think so. I may say that when the money was spent previously by the Government it was not under proper control, and I must say this that I did not think the landlords took a sufficient interest in seeing that it was properly spent.

Drainage under Land Drainage Act and government inspection.

31,466. What do you say about drainage?—If the drains are 4 feet deep I think they might as well be 14 feet deep. I think the owner of land should take sufficient interest in his property, and if he could see the money was properly spent it would be a paying investment, both to the owners and occupiers and the whole community. I would like to see landlords take more interest in their properties, and live more at home. That certainly would be a great advantage to us all.

31,467. (*Viscount Cobham.*) Do you say the inspection by the Board of Agriculture has been insufficient?—The Drainage Commissioners are, I think, a private company. It is the Land Improvement Company.

31,468. But the inspector is a public official?—He is appointed by the Land Improvement Company.

31,469. No?—His inspection, however, is not worth a brass farthing. In my case he came to see the land before it was drained, and in many cases he comes to see it before it is drained and after it is drained.

31,470. (*Mr. Clay.*) The inspectors are confined to certain lines of depth in regard to draining by the Government?—Yes.

31,471. It was so in time past?—Yes, but I may say that the inspection is practically valueless. What is the use of a man coming after a field is drained? He does not know how the fields are drained. The drainage levels are not known.

31,472. (*Viscount Cobham.*) Did not the inspector see the drains in your case before they were covered in?—No, there was about 1,000*l.* or 1,200*l.* spent on my estate, and he never saw it done. In fact, he came after they were done and closed up.

31,473. (*Mr. Clay.*) But was not it the general understanding when they got money from the Government that the drains had to be 4 feet deep, whether good drying land or not?—You are correct as to a time up to 14 or 15 years ago, and in the case I have referred to I hold that the inspection was not worth the paper it was written on.

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31,474. (*Sir Nigel Kingscote.*) In your case it was left to your discretion?—It was left to my discretion, and we took special care to see to the levels of the drains. I wish to say that in spending money proper care should be taken to see that it is properly spent.

31,475. (*Mr. Clay.*) Do you go this length, that you consider in the past a good deal of the Government money was thrown away?—Simply thrown away, and I know a gentlemen, who ought to know, who said the way it was spent was a very great misfortune to the owners at that time.

Compensation under Agricultural Holdings Act.

31,476. As to the Agricultural Holdings Act, you point to having more security for increased fertility and for turning grass land into arable land?—Yes, I think we should have compensation for all improvements, and if we laid down grass to keep stock, a man should be compensated for it.

31,477. You want to make the Act so framed and so made applicable as to meet your requirements in dealing with landlords in Northumberland who do not deal fairly?—We want to be able to deal with them on equal terms, and not for them to be able to say, "Sign that agreement or quit your farm." We are tired of that sort of thing in Northumberland, and it is a sort of thing we are not going to tolerate any longer.

31,478. It is the unfair landlord whom you would like to bring under the operation of the Act?—It is. They stand in need of coming under the operation of the Act.

31,479. Your principal idea in that respect is in taking a farm that you want consideration to be given in rent according to the improvements you have made upon the grass lands?—Yes, but it is not so much in taking and leaving your farm, but when you have it fairly well farmed and stocked you never get compensation. And with respect to freedom of cultivation, a tenant farmer told me a day or two ago that he is spending 1,000*l.* a year on cake and manures, and he cannot get leave to sell hay off his farm or straw when it is dear, and that is my very case. We cannot get our rentals reduced at the present time.

31,480. And that is why you think something like a land court should be brought in to arbitrate in reference to the rents of farms?—I think if we had fair and reasonable conditions the question of rent would not arise so often.

31,481. Who would decide what were fair conditions?—We would leave it to the Court of Appeal to say whether we get fair conditions. I want to point out to the Commission that land that is going out of cultivation has no value to the owner. I do not want to ask anything unfair to my class or unfair with regard to landlords, my sentiments are in the opposite direction; but I may say that in Northumberland we are satisfied of this, that we want better security, and we do not want an increase of rent put upon us on our own improvements afterwards. We want something to live on.

31,482. All you want is to keep up the fertility of the soil to the advantage of all?—Yes. I hold that if a man has his farm well farmed he should not be in a worse position than he would be in if he had farmed badly.

Fall of rents since 1880.

31,483. (*Mr. Gilmour.*) What has been the average fall of rent since 1873 in your country?—There has been no fall until about 1880, and I think about 20 to 25 per cent. from then would be the most. There are a good many instances of 10 to 20 per cent. fall.

Drainage.

31,484. I suppose a good deal of the land drained 20 years ago probably stands in need of it again now?—Not 20 years ago, but about 30 years ago.

31,485. Do you look forward to the time coming very near now when there will be a considerable demand for draining and re-draining?—I think a good deal of land would derive an immense advantage from draining, and it is not going to be safely stocked unless it is improved.

31,486. Then do you think the question of getting money at a cheap rate may come to be a question of importance during the next 20 years?—It is very important to get us over this new period. We are getting into a new period, and there is no getting rid of that fact, and we have to accept the condition of things as they are, but I do not think agriculture would be ruined if we could get fair play.

31,487. You put it as a considerable grievance, your having to put your stock on the market when you have to leave your farm?—Yes.

31,488. Does the custom prevailing in the north in regard to black-faced stock not hold in your county—that the incoming tenant takes over the stock at a valuation?—No, that exists practically very little in Northumberland, unless it be where Mr. Clay has farms. I think it exists in no other part of Northumberland except in the Cheviots at any rate.

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Disposal of stock on quitting farm.

31,489. If that was made a condition would that do away with a considerable part of your grievance?—It might do away with a portion of it; but it might be considered arbitrary sometimes to force that upon a tenant entering.

31,490. With the increased price he would pay for that stock he would receive value?—There is a feeling that too much has been paid in certain instances. Too much is put upon it, whereas it requires to be dealt with in a fair and moderate spirit if it is to be allowed.

Leases.

31,491. As to the men that are taking these farms at present, are they taking them or are they willing to take them on a 19 years' lease?—No. We have practically no leases in our county. None sign leases on any conditions.

Security under Agricultural Holdings Act.

31,492. (*Mr. Chaplin.*) With regard to the Agricultural Holdings Act do you consider that the position of the farmer as regards security is worse or better than it was before the passing of that Act?—It is slightly better I think, but not to amount to any very great advantage.

31,493. But there has been some improvement?—There has been some improvement.

Ground Game Act.

31,494. Now with regard to damage from game, what has been the effect of the Ground Game Act?—In a good many instances at the time after it was passed it had an effect in diminishing the rabbit nuisance, but in odd cases it is creeping in again I am sorry to say.

31,495. Do you mean to say the rabbits are increasing again?—Yes; and there are hints from the owner to the tenant that he had better let the game alone.

31,496. And are there any cases within your own knowledge where the rabbits have increased by the action of the tenant himself?—I daresay there are some tenants who are no better than they should be about rabbits.

31,497. Then I take it, it is the case sometimes?—Such tenants are as big a nuisance to have for a neighbour as to have a bad owner, but I do not think it is a general thing to have them.

Fall in rents since 1880.

31,498.—The rents, I think you say, have fallen since 1880 something like to 20 to 25 per cent.?—25 per cent. would be an exceptional instance; 15 to 20 per cent. would be the average. There has been no reduction anything like compared to what has been done in the south of England. I am speaking as a member of the Assessment Committee, and that has been my opinion for many years.

31,499. I ask these questions because I observe that in your proof you describe as among the causes of depression high rents, damage from game, and defects in the Agricultural Holdings Act?—Yes.

31,500. Agriculture was much more prosperous, was it not, twenty years ago than it is now?—Yes, because the prices were about 35 per cent. higher.

Causes of depression.

31,501. Then it is hardly correct to describe these matters as causes of depression, seeing from what you tell me that with higher rents, with worse security of tenure, and with more damage from ground game, farmers were more prosperous than they are now?—The simple fact of the matter is that corn and barley were worth 40*s.* a quarter, whereas it is worth only 20*s.* now in many cases. Mutton was worth 40 per cent. more, and beef was worth 35 per cent. more, and wool was worth 50 per cent. more. Another factor is this, that some other kinds of investments than farming do not pay so well now. Again this is a fact which Mr. Clay will agree to who understands the matter, that the bad seasons have had such a serious effect upon the value and quality of sheep stock.

31,502. I observe you did tell us that the main causes of the depression were higher rents and bad seasons combined?—Yes.

31,503. Now, you express the opinion, I think, that a further outlay in feeding stuffs and artificial manures might help farmers to get over the difficulties to some extent at the present time?—Yes.

Improvement of inferior land.

31,504. Of what class of land are you speaking?—More of the secondary class of land, and I say that

what I advocate would help to keep the better classes of stock up and enable us to deal better with foreign competition. The secondary sort of meat suffers most from foreign competition. Here is another factor: with an improvement on that secondary land the farmer can keep sheep sounder upon it. But in hundreds of cases in recent years he has not been able to do it. I could give you a district in my own county where the whole of the sheep stock disappeared in one winter altogether.

31,505. (*Mr. Clay.*) That is one reason why that land should be drained because of the present position of that land?—You should not put sheep on that class of land. I would not do it if I was paid for it half their value.

High farming.

31,506. (*Mr. Chaplin.*) We have had a good deal of evidence to this effect, that where there has been the greatest outlay in farming, where the farming has been of the highest class, the losses have been the heaviest?—To some extent you can go beyond justifiable expenditure; but I think with careful attention to your business and careful spending, caking and manuring still pay.

Security of tenure.

31,507. Now, would you tell us how you want to stop injustice by an alteration in the law. Do I understand you to say that injustice in that respect is a serious factor in the position?—It is not a general factor, but my experience is, and I know there are cases which could be presented here, where the tenants cannot get satisfactory terms on account of not having proper security. We have our farms given up, and we cannot get them reduced. What I hold distinctly is this, that the sitting tenant cannot get the same reduction if he has his farm well stocked as the man can get who farms his farm badly.

31,508. That, I think, confirms me in the view of the evidence you have given us, that it appears to me your difficulty has arisen mainly in the case of farmers who are already in possession?—To a great extent.

Competition for farms.

31,509. First of all, take the case of the farmer who is going to take a farm, and who is perfectly independent, are not you in a position to make your own bargains in Northumberland?—I say the competition is too great. Last year there was very strong competition for farms.

31,510. There is strong competition even in these days of depression then?—There is strong competition even in these days of depression.

31,511. For good farms in Northumberland?—For good farms in Northumberland.

Security of tenure and compensation for improvements.

31,512. Then what you want is the law to step in to enable you to get them on rather more favourable terms?—No, nothing of the kind. I hold that a man who takes his farm at the present time takes it with his eyes open.

31,513. But I am dealing with the case of a man who is making a fresh bargain altogether. In his case, as I understand, you do not think legislation is necessary?—Yes, I think it is necessary. After he starts upon his farm he ought to have proper security for what he spends.

31,514. But I want to know this: before he starts, is a man not in a position to make a fair bargain for himself?—Not in our county.

31,516. Is it because there is so much competition?—Yes, there is competition, and a man who wants to make a strong bargain is often kicked out of our county.

31,516. Then it does come to this, that you ask for legislation really to enable a man to make a better bargain—that is what you consider an effective bargain?—He should have fair terms when he quits his farm. I want to point out this to you: that the capital of the tenant is necessary for the cultivation of the soil, and legislation is of little use after he is ruined.

31,517. I am speaking now of the present position with regard to a tenant who is going to take a farm. If he cannot get satisfactory terms to himself he is not obliged to take the farm?—I will put the case this way, supposing you have stock you do not want to sell upon the market——

31,518. But I am speaking of the man who is taking a farm?—Supposing he has lost his farm and wants to take another.

31,519. We will take that case afterwards. But take first the case of a man now entering upon his farm?—He cannot take a farm in our county now upon his own conditions.

31,520. Why does he take it then?—He probably does not want to leave his county.

31,521. And that is the reason why he agrees to terms that are unfair?—He may have done it for various reasons.

31,522. I ask you the question, and you reply to me that he does not want to leave his county?—That is one reason.

31,523. Is that a sufficient justification for calling upon the Legislature to interfere with the law in order that a man should not be obliged to leave his own county?—It may not be exactly a justification, but the agriculture of a county may disappear with the tenants, and I hold that their capital is of great importance in the cultivation of the soil, you have a good example of that in the southern counties.

31,524. Now, going to the case of a man in possession, there I understand your view is this, that it might inflict very serious loss upon him for him to have to change his farm and part with his stock, and there is so much competition that he cannot get fair terms, and has often to undergo a loss in consequence, and he is compelled in this way to agree to terms which he thinks are not fair?—That is an unquestionable fact, and I know several cases of that kind at the present moment.

31,525. Then the fact of his having this large stock of sheep, and sheep of a particular breed, as you have described to us, gives the owner an extra handle against the farmer, I suppose?—Certainly.

31,526. He suffers more in this case than in the case of an ordinary arable farm?—I will explain this in this way to you. All arable farms are farmed in our county on a five or six course, and sheep forms a large part of it. Farming is not conducted with regard to arable farming alone, it is more to manage the live stock.

31,527. Then you advocate a court that, under certain circumstances, should interfere between the landlord and the tenant in the fixing of the rent?—I advocate that we should get fair terms and conditions.

31,528. Including the rent?—That we should meet on fair terms when we come to fix the rent.

31,529. I understand you justify that on one ground by saying that that is what has been already done in Ireland?—Yes.

31,530. But are you aware that the circumstances and conditions of land tenure and land ownership in Ireland are totally different from the conditions which at present exist in England?—I will put the case in this way to you: supposing a man spends 1,000*l.* or 2,000*l.* a year on cake and manure, is he not making an improvement to compare with the Irish tenant.

31,531. All improvements, large or small, permanent or temporary, in Ireland have been made in the past by the tenants, but in England those improvements have always been made by the landlords?—To that extent there is a difference, but I cannot see that Irish tenants should have such good security and Englishmen none. Have we no rights as tenant farmers in the soil we cultivate?

31,532. I want to draw your attention to this: when you cite Ireland as a justification for your views, I want to be clear as to whether you understand that there is a great distinction and a marked distinction between the circumstances of the two countries in the respects that I have pointed out to you, and now I want also to ask you this, was it not the case that in Ireland the tenant was held to be, whether rightly or not, a sort of part owner of the soil in virtue of the great outlay he had made in improvements?—I think you are assuming the outlay is more than it really is. The value of the cottages does not amount to so much as it appears. I hold that the cake and manure and labour bill stands against that very strongly. I know a good deal about the Irish question.

31,533. You have considered the Irish question very carefully?—Yes, I have considered it very carefully, and I have heard a good deal of it lately.

31,534. And you are of opinion that the improvements attributed to the tenants there have been exaggerated?—I think there might be errors both ways. They have got their improvements because their representatives have stood to their guns a great deal better than our English representatives have done.

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31,535. Then on those grounds you wish to see Irish legislation adopted here?—Not to the full extent. I beg your pardon. I do not want to be an owner or co-owner or partner in a farm with my own landlord, but I hold that he should not have my improvements, or live on my capital any longer.

Land courts and fair rents.

31,536. Do you think there is no way of giving fair compensation to tenant farmers on leaving their farms short of the principles of Irish legislation?—I do not go so far as that. I hold there should be some reasonable tribunal to appeal to on this question.

31,537. And should the questions to be submitted to them be fair rents and fixity of tenure?—No, not fixity of tenure, on any account whatever. I hold that the capital of the tenant is better employed in the cultivation of the soil. I want to have our landlords deal more fairly with sitting tenants, and sitting tenants should not pay rental upon what they have done upon the farms any more than Irish tenants do. In the Newcastle market we find Irish cattle cheaper than we can put them there.

31,538. What I understand you to say is this: that you advocate changes in legislation so far as this, that the landlord is not to be allowed to sell the use of his land to the tenant for the best price he can get—for the market price?—What belongs to the landlord let him sell at the best price, but he has no right to sell what belongs to the tenant.

31,539. In the case of a tenant taking a farm where the tenant enters upon it for the first time, the landlord has the right to let that farm According to your own view that belongs to him?—That belongs to him, and he has a right to let that farm on condition that the outgoing tenant gets fair payment for what he has done.

31,540. Take the case in which the landlord holds the land himself. Does the provision you suggest apply in that case?—No.

31,541. Then it is not to be universal?—There are a number of competitors then, and it is an open and free market, and I say let the landlord make the best terms he can, on the condition that he is not robbing his outgoing tenant.

31,542. But the fixing of a fair rent applies to the new tenant?—I think if a man has taken a farm he ought not to appeal with regard to his rent for a number of years. An absolutely new tenant should not appeal till he has had it a few years.

31,543. That is quite a new proposal. How many years do you say?—Five to seven years. You will be aware of the great changes that have taken place within the last seven years in our conditions.

31,544. You say a tenant has to make his own terms as to rent and agreements and other conditions, and then a few years afterwards, supposing he finds out it is not satisfactory to himself, he may apply to the court to alter them?—If the court is a fair one, why need the landlord be afraid to go into it.

31,545. Is that the fact?—That is the fact.

31,546. That is the position?—That is the position I contend for.

31,547. The tenant is to take his farm in the open market, make his own agreements, and then at the end of a certain number of years he is to be able to have a court in reserve to go to, which will alter his terms if he thinks fit?—Yes. If the tenant refuses to take the farm at the rent the court fixes.

31,548. Is the landlord to have the same privilege as the tenant at the end of five years to improve his position?—Certainly. I would ask for no privileges for us than did not apply to the landlord.

31,549. (*Sir Nigel Kingscote.*) In such a case is the tenant bound to remain in if he thinks the rent too high?—No; he can go if he likes.

31,550. (*Mr. Chaplin.*) Do you think, as a matter of practical business, that would be a satisfactory arrangement even to a good tenant himself. He would know that he had got his farm on a fixed agreement for five years, but beyond that time he would never be certain that it might not be altered and his rent raised?—What certainty have we at the present moment in that respect?

31,551. You have certainty if the farm is taken on lease?—As I have said, I do not think any sane man would sign a lease in our county. Nobody can tell what will happen in five or six years.

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31,552. Then is it quite impossible in the case of Northumberland to make fair agreements for yourselves even in the case of good men?—I have no hesitation in saying so.

31,553. You adopt the principle that under certain circumstances the landlord is not to be allowed to sell his farm for the best price he can get, and do you extend that principle any further? Do you extend it to the produce of the land?—It is not extended to the produce of the land in Ireland. Why not give us a fair court here? I wish it would be so.

31,554. Do you say the tenant is not to be allowed to sell the produce?—I beg your pardon.

31,555. You have laid it down that the landlord is not to be allowed to sell the use of his land for the best price as I understood, and would you extend the principle to the produce of the land and say on public grounds you shall not be allowed to sell the produce at the best price?—Certainly. I think if he does not decrease the fertility of the soil he ought to be allowed to sell the whole of his produce in the best market he can.

31,556. That is to say with regard to the tenant, but the landlord is not to be allowed to do so then?—I wish you to understand me distinctly on this question.

31,557. I want to?—When the tenant's farm comes into the market let the landlord get the best tenant he can, but after the tenant has spent a great deal of money on the farm and has made a change in the condition of its cultivation for the better, let him be at liberty to appeal to some court to get a change of rent if necessary, and let the landlord be in the same position as to that as the tenant is. It would be a very different thing if we had no foreign produce coming into the country—we should not be here probably.

31,558. (*Chairman.*) I understand the change is to come into operation after the tenant has been in possession five or six years?—After he has been in possession five or six years.

31,559. But supposing the tenant comes in in the interval, is the landlord to be entitled to get rid of him or not without taking into account the improvements made by the former tenant?—Most decidedly, if the tenant who has come in in the interval pays for the improvements that were on the farm when he came in he is entitled to compensation.

31,560. Then practically during the term the landlord may resume possession if he likes?—Certainly.

31,561. It is only after five or six years that the principle of judicial rents is to come into effect. Is that so?—Yes.

31,562. (*Mr. Chaplin.*) This principle with regard to rent would not be applied in the case of any tenant who had not held his farm for five years?—Five years. I do not think it would be fair for a man to take a farm and go to the court within a year or two.

31,563. Then it is to be open to either party to go to the court and have all the conditions of taking the farm altered?—Certainly, if the conditions and circumstances justify it.

31,564. You think that would be satisfactory to the tenant?—The tenant can take care of himself when he meets his owner on fair conditions.

Fixity of tenure.

31,565. (*Mr. Dalton*). I understood you to say you were not in favour of fixity of tenure?—No.

31,566. But would not this amount to fixity of tenure if at the end of five or six years the tenant could go into court and have his rent reduced?—I have said nothing as to preventing the landlord giving his tenant up any time during his tenancy, but what I want to say is that the notice shall not be arbitrary, and shall not create injustice to the occupier. There is nothing I have said here to-day preventing a landlord giving up his tenant at any time on condition that he does not treat him in an arbitrary and unfair manner.

Arbitrary notices to quit.

31,567. What was the ground of most of these notices to quit that you were speaking of in your county? I think you said that there had been a great many?—Not a great many—a few.

31,568. What was the matter in dispute? Was it rent as a rule?—Rent as a rule—people giving up their farms because of wanting a reduction of rent and not being able to get it.

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31,569. The notices were given by the tenants that they would leave if they did not get a reduction of rent, you mean?—Yes.

31,570. That was the notice?—That was the notice in some cases, and some were given by the landlords in some cases.

31,571. In the cases where the notices were given by the tenants, that they wished a reduction of rent and would go unless they got it, there was no arbitrary notice from the owner, was there?—It may be a very arbitrary notice if a farm is in good condition, and you are compelled to sell your stock in an exceptionally bad year—that may be an extremely arbitrary action.

31,572. That would be a case for getting the rent fixed?—Yes, certainly.

31,573. But you would not consider that a case of arbitrary disturbance, should you? I think you want compensation for arbitrary disturbance, do you not?—Yes, that is in cases where you are forced off your farm.

31,574. When you are forced off or when any dispute arises of any kind with respect to the rent of your farm?—I think if a man cannot get a fair reduction of rent he is entitled to fair compensation if he puts his stock upon the market in bad times.

Reduction of rents.

31,575. I think you said the rents had been reduced from 10 to 15 per cent. in your county?—Yes.

31,576. What would be an adequate reduction?—If we got another 10 per cent. it would be a good deal better in some cases.

31,577. But you think you are getting out of the bad times now, do you say?—Well I think we know the worst to some extent, and we have adapted, or are trying to adapt ourselves, to the new conditions.

31,578. The matter that is really mainly in dispute between tenants and landlords is the matter of reduction of rents to the extent of some 10 per cent.?—I will explain it in this way: we have not got a sufficient reduction in rent to meet the falling prices and the bad seasons. I may explain that the character of the seasons influences the value of the produce, and we have not got a sufficient reduction of rent to meet all those things.

31,579. The principal desideratum in your neighbourhood, from your point of view, is that there should be a reduction of about 10 per cent. more on the rent?—Yes, most distinctly so.

Competition for farms.

31,580. (*Mr. Lambert.*) How many applicants would there be for a vacant farm, perhaps?—It depends upon the size. For one small dairy farm there were 20 this year. Larger farms have not so many.

31,581. The suggestions you make are as to enabling the landlord and tenant to meet together upon equal conditions to make a bargain?—Yes.

31,582. As to the question of the tenant selling the produce as he likes, he goes into the open market, meets the buyer face to face, and they are upon equal conditions then?—Yes.

31,583. But in the case of 20 men endeavouring to get hold of one farm, the landlord has a great advantage over those men?—Yes, he has an advantage to a great extent. I might say that 20 applicants only apply for small farms for dairy purposes.

31,584. But if there are five applicants say, they do not bid more than the farms are actually worth, do they?—Yes, I think they do.

31,585. I understand you to say you think that it is necessary that your suggestions should be carried out because agriculture, in its old conditions, has gone, and we are entering upon a new period?—I think so.

Compensation for disturbance.

31,586. Presuming that a tenant is unable to agree with his landlord upon the subject of rent, and the landlord refuses to give him an abatement which the tenant thinks he ought to have, would you in that case give or would it fulfil your views if the landlord gave the tenant compensation for disturbing him if he had to quit his farm?—Certainly.

31,587. What should you estimate the value or the amount that would be lost to the tenant by having to quit his farm?—Shall I take a very bad year?

31,588. Take percentage?—It might vary from 10 per cent. upwards upon the value of stock to be forced to sell it. I know a case where I was told you cannot sell your stock this year because your prices are bad, and I say why should I pay more rent on that ground.

31,589. I want a general average?—10 per cent. to 15 per cent. on the value of the stock to be forced to go on the market. It might be more in some cases.

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31,590. It is a loss to a farmer to go into a strange neighbourhood, is it not?—Yes, and I think I know some men who have come south, who have said they came here, and they had to adapt themselves to the ways of the county, after they got acquainted with the conditions of the land and things, they probably could improve upon those conditions, but to start a new system was a dangerous experiment altogether.

31,591. And it often incurs loss?—It often incurs loss. That is the experience in my own county.

Law of distress.

31,592. Do you think the law of distress should be abolished?—Yes, I think it gives the landlord an unfair advantage.

31,593. You mean they take men whom they would not take otherwise, if they were more careful. The law at present, you state in your proof, steps in between the landlord and tenant?—It does to a certain extent with the Agricultural Holdings Act, and I want its principles to be extended.

31,594. Do you think the principle is necessary and absolutely essential that the law should be extended further?—Most distinctly so.

Damage by game.

31,595. You have had a great destruction of crops and fences by game, I understand?—We have had a good deal of it. I have had a good deal of personal experience on that question.

31,596. Can you give us any of your personal experiences?—I had an arable farm which I farmed for four years, and it was not an unusual thing to count about 100 to 150 pheasants amongst our barley. I have counted 40 hares upon the barley after it was above ground, and they simply destroyed the crop. Those are some of my experiences.

31,597. You have spoken of cases where hints have been given to the tenants with a view to evading the Ground Game Act by telling them that if they killed ground game no improvements would be done for them?—I was told that on one occasion by one of the largest land agents in my own county.

Arbitrary notices to quit.

31,598. And you are advocating these changes in the system of tenure to prevent farmers being arbitrarily turned out of their farms in that way?—Yes. I may say this, that more than one man was told that when my farm was to let that I would not have it on any conditions whatever.

31,599. If the farmer was turned out the landlord would have no difficulty in getting another farmer, would he?—I think not in our county. Two or three years ago there were two or three large farms rather let down in rent just then, but I think things have got better now.

31,600. Would the farmer have any difficulty in getting a farm?—I think he has in our county, a suitable farm for stock in most cases.

Restrictions on cultivation.

31,601. You say it is not unusual for burthensome and vexatious conditions to be imposed on a sitting tenant which he may be induced to accept rather than leave his county. Have you any personal knowledge of such cases?—I have my own farm agreement before me, which was forced upon me. I asked to have my four-course system altered to a six-course one, but I was told to take the farm with that condition or leave it, and that was told me by the agent for three or four Members of Parliament, and I do not know how many people besides.

31,602. You say there was no freedom of contract in that case?—Not a particle of freedom of contract.

31,603. You speak of Irish farmers. Have you any experience of Irish agriculture as to whether Irish farmers are prospering under the new system which is now in vogue in Ireland?—I think they are. I may say that for the last 30 years or more I have got a very large number of Irish cattle from Irish dealers—from 100 to 150 a year, and the evidence the men gave is that things are improving under the new conditions. I wish to point out that it is not all the small holders of Ireland that get the benefit—there are very large holders who get a benefit under the new conditions as well.

Land Courts.

31,604. I understand the general gist of your suggestions is that legislation should be enacted to enable the tenant and the landlord to meet upon equal conditions, and you do not want to give one an advantage over the

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other?—I do not want a particle of property of another owner. I do not think the feeling of my county is that way either, but I want fair conditions for ourselves.

31,605. (*Chairman.*) That is only after the five years?—In respect to the sitting tenant.

31,606. (*Mr. Lambert.*) What do you say generally of the conditions?—There should be no interference with a tenant at the commencement of a new tenancy, but it is not so much new tenants that complain as old ones.

31,607. I rather thought you had not thought this matter out exactly as to the trend which legislation should follow in the matter, but the general gist of your evidence was, I thought, that the landlord and tenant should be enabled to meet on equal terms?—Yes. I do not want to go to the court if it can possibly be avoided, and what I am prepared to uphold myself most distinctly, is that the sitting tenants of my own county who have farms do not meet their landlords on fair terms. I know my own case is one such.

Fixing of rents.

31,608. (*Captain Owen Thomas.*) How are your rents fixed?—By mutual arrangement. I may say that you can farm as you like and almost under any conditions, as long as you pay more rent than the farm is worth.

31,609. What are you paying per acre now?—I think one of my farms will be about a guinea an acre, and the other about 15*s*.

31,610. When was that rent fixed?—Three years ago.

Reduction of rents.

31,611. What were you paying before then?—I was getting them down sometimes. I was 10 per cent. more before 1878. I may say the new landlord came in in 1878 and increased the rents. We had a lease for seven years, and then we got them down 10 per cent., and then there has been another 10 per cent. down since.

31,612. It has come down about 20 per cent. altogether then?—Yes; the 10 per cent. was put on in 1878, which never ought to have been put on.

31,613. Are you a tenant on a large estate?—I think the estate is worth 8,000*l*. or 9,000*l*. a year.

31,614. Are all the tenants satisfied with the reduction of 20 per cent.?—No, they are not.

31,615. Have they applied for more?—Yes, they wanted more, but they could not get it.

31,615*a*. How much more?—Five to 10 per cent. Ten per tent. would have satisfied most of them. I may say some tenants did not get so much as 20 per cent.

31,616. Are the rents paid regularly?—Yes. I think that there is not a penny of back rent on the estate.

31,617. Do you say the farmers are able to make the rents which they are paying now out of their farms?—I think in some years we may make them, but it is always rather a stretch. When our corn was destroyed more or less by the weather two or three years ago, and our sheep were more or less destroyed, we lost a lot of money. I may say I lost a year's rent in 1886-1887.

31,618 (*Mr. Everett.*) What time do you quit your farm?—The spring time.

Land laid down to grass.

31,619. Is much land going down to grass with you? It is still going on. I may say a few days ago two different men farming arable land told me they intended laying both their farms away to grass. Before I finish there is one thing I wish to draw attention to, and that is that the condition of agriculture not only affects the agricultural labourer, but it affects the village and town tradesmen as well. The agricultural labourer disappears and goes into the towns and the depression, therefore, affects the whole population of the towns and villages.

Condition of labourers.

31,620. (*Captain Owen Thomas.*) But the agricultural labourer is better off now than he was before, is not he?—Yes; but that is because there are fewer of them.

Condition of tenant farmers.

31,621. (*Mr. Everett.*) Before prices began to fall, were you getting on tolerably comfortably in your county?—I think we were getting on fairly well. There are odd cases where it might be different, but in most cases before we were satisfied with our condition.

51,622. (*Chairman.*) Do you hold under one or several landlords?—My farm is on one estate, but it passed by death, two years ago, into various owners, who have not been able to sell yet.

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His own farm.

31,623. Then it is one estate?—One estate.

31,624. Do you hold more than one farm under that estate?—Two.

31,625. Have you had those two farms for many years?—I entered into one when I was a lad, about 33 years ago, and I took the other 10 years ago. One adjoins the other.

31,626. Ten years ago is after the commencement of the bad times?—In 1883 to 1885 the price of sheep and beef was 25 to 30 per cent. better than it is to-day.

31,627. You came into your second farm after the bad times began, I understand?—Yes, and I got 10 per cent. reduction from what the previous tenant was paying.

31,628. Do I understand that is about the reduction that other farmers have got in the neighbourhood?—The whole estate got the same reduction.

Vacant farms.

31,629. Then there are no farms unlet in your district?—I do not know one. There is no land unlet now.

Competition for farms.

31,630. In the case of small farms there is a good deal of competition for them I understand you to say?—There is a good deal of competition for them, and I have already pointed out the difficulty there is in finding investments for small capitalists.

31,631. Is there fair competition for the larger farms?—Yes.

31,632. Supposing a farm of 1,000 acres becomes vacant are there five or six applicants for it?—Yes, I think there might be. I may say this last autumn the competition has been better than for several years. I do not know the cause of that.

31,633. Are the applicants men with sufficient capital?—Yes. I may say occasionally a man appears upon the scene from the manufacturing districts and applies for a farm.

31,634. Where do the applicants come from?—They are farmers leaving their farms and people not otherwise engaged. I may say some farms in my neighbourhood are taken by people who were not farmers originally.

31,635. How do you account for people taking farms under these conditions which you have described?—That is one difficulty which I cannot account for. There has been a great deal of money invested in liability companies and shipping, and some of those things pay no dividend.

Profits in farming and other businesses compared.

31,636. Do you think that people with capital get no good investments in other directions?—They are not very plentiful.

31,637. You think farming does not pay so badly as other things then?—Those people have had no past experience—they have it yet to gain.

31,638. There must be some motive which induces them to come into farming, however?—I believe Mr. Scott, a previous witness, put it very fairly when he said that when a man had nothing but a few thousands he put it into farming. There is a good deal in that.

31,639. Does not that tend to show that after all, although the profits may be small in farming, they are better than those to be obtained in many other businesses?—I do not know that it tends to show that, but there is very great difficulty in getting investments for small amounts of capital, and a number of these people who have small amounts of capital are ready to take farms in our county.

Wages of labourers.

31,640. What is the condition of the labourers?—They are fairly well off. Our cottages have been improved.

31,641. During the last 10 or 15 years have their wages remained the same?—No, they are better. Their wages were very high from about 1871 to 1876, and then they kept falling till the year 1885 or 1886, but during these last three years they have increased. I may say I have three men at more than a guinea a week each.

31,642. How much were they increased two or three years ago?—Two or three shillings a week.

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31,643. How much had they fallen before that?—They were much higher in connection with the great coal business—some had from 20*s.* to 25*s.* a week.

31,644. And then they fell again?—They fell down to 17*s.*, 18*s.*, and 19*s.*, and now they are 21*s.*

31,645. I suppose, considering the price of food now, the labourers are better off with the same wages than they were with the wages which they had formerly?—Yes, the prices of all necessaries of life are much lower.

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31,646. One other question. Has this subject of judicial rents been discussed by your farmers' club?—These questions have been before the club. Judicial rents.

31,647. Was there any discussion upon them?—Yes.

31,648. And did they come to any resolution?—Not distinctly so, I think.

The witness withdrew.

Adjourned for a short time.

Mr. C. Dewar.

Mr. CHARLES DEWAR, Little Massingham, Norfolk, called and examined.

Mr. C. Dewar.

His own farm.

31,649. (*Chairman.*) You have 1,000 acres in Little Massingham, I think?—Yes.

31,650. How long have you held that farm?—Eleven years from Michaelmas.

32,651. Before that were you a farmer in Scotland?—Yes.

31,652. What part of Scotland?—Perthshire.

31,653. You came from Scotland in order to take this farm in Norfolk?—Yes.

31,654. Has the rent been reduced since you have been there?—Yes.

31,655. I think you hold that farm on the rent calculated according to the value of corn?—Yes, that is part of the hiring agreement.

31,656. Is that the original agreement?—No; that was entered into four years ago.

Reduction of rent.

31,657. How much has your rent been reduced since you have been there?—I should think about 35 per cent., roughly speaking.

31,658. And it is now fixed according to the value of corn?—Yes; that regulates my yearly rental.

31,659. Then has it been reduced considerably in consequence of fall in the price of corn?—Yes.

Corn rents.

31,660. According to the falling prices?—Yes. Should you like me to explain it?

31,661. Yes, I should?—Four years ago I hired my farm at a rental of 550*l.*, inclusive of tithe and nine cottages. At that time the average price of oats, wheat, and barley, according to the Board of Trade returns, was 28*s.* per quarter, and I agreed with my landlord then, that if prices should go up from that price for every shilling increase in value I should pay 20*l.* rise of rent, and if prices came under 28*s.* a quarter I should have a corresponding reduction. The result is that the prices are now about 22*s.* a quarter on average, which reduces my rent 120*l.*

31,662. 120*l.*, in fact, is the reduction?—Yes.

31,663. Then it has reduced your rent to 430*l.*?—Yes.

Local rates.

31,664. What are your rates?—The rates are not excessive. I think on my farm I pay something like 27*l.* a year for road and highway rates and poor rates.

31,665. Has the assessment of your farm been reduced in proportion to the reduction in rent?—I pay a higher rate now per 1*l.* than formerly, but the gross amount which I pay is less considerably than what I paid four years ago.

31,666. Then the amount of the rates is not considerable?—No.

31,667. You have no complaint to make on that head?—No.

Results of farming.

31,668. Now how have you been doing, may I ask, during the time you have been in Norfolk?—I have held my capital together and got a living; I have been able to get along.

Income tax.

31,669. Have you been assessed as to income tax upon your profits, or have you availed yourself of the right of having your profits assessed at two-thirds of your rent?—I have had it assessed on my rent.

31,670. Therefore your income tax has been reduced considerably in proportion as your rent has been reduced?—Yes, it has.

31,671. I suppose you are aware that you have the right of being assessed on your profits if you like?—Yes.

31,672. But you have not chosen to avail yourself of that?—My income tax amounts to so little that it would not be worth the trouble for any one year.

Drought of 1893.

31,673. You suffered much from last year's drought, I believe?—Yes.

31,674. That was a bad year?—Yes. Of course I restrict my evidence to Massingham.

31,675. You do not know about other parts of the county?—Not well, not being a native of the county; but that district was very much affected by the drought of last year. I should think we did not grow much more than half a crop.

Farming in his district.

31,676. How do you make the profits of your farm; Is it through crop or stock?—Everything contributes. Perhaps in some seasons barley may be the chief instrument of profit, or in some years sheep. There is no saying. We have two or three strings to our bow.

31,677. Is the district one of large farming?—Yes, entirely large farming.

31,678. And have the other farmers done about the same as you have?—Yes, as far as I can see.

31,679. As far as you can see they have held their own?—Yes.

31,680. Are there other Scotch farmers there?—Yes, my neighbour is a Scotch farmer.

31,681. Have you or your neighbour introduced any new processes from Scotland?—We have followed the customs of the country to a great extent.

31,682. But have you introduced any changes?—We have introduced the Scotch carts and Scotch system of harvesting to a certain extent, which I think is an improvement on the other.

31,683. But in the course of cultivation you have followed what you have seen around?—Yes; we have the same implements that the natives work with.

31,684. And you have followed the same course of cultivation?—Yes, we have.

31,685. (*Viscount Cobham.*) Have you much permanent pasture?—Very little. I have about 25 to 30 acres pasture.

31,686. (*Chairman.*) You do not dairy at all, do you?—No.

Wages of labourers.

31,687. What does your labour bill amount to?—Roughly speaking about 1,000*l.* a year.

31,688. Then it is considerably more than double your rent?—Yes.

31,689. And what has been the course of wages since you have been there?—Ten years ago when I entered on my farm the money wage was more.

31,690. What were the money wages then?—13*s.* a week for able-bodied labourers. A team man, viz., a horse-man got a cottage in addition to this 13*s.* a week. The labourers had only 13*s.* a week.

31,691. That was 10 or 11 years ago?—Yes, the wages in 1887 dropped to 10*s.* a week, but they have since gone up to 11*s.* That is not an average wage for the year. The men during hoeing and harvest time get more money.

31,692. It is the wages for the purpose of comparison you give?—Yes.

31,693. When did they rise again to 11*s.*?—About three years ago.

31,694. Do you say that with the fall in prices the labourer is as well off as he was 10 years ago?—Better.

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31,695. How does the cost of labour compare with the cost of Scotch labour?—The individual man gets less money, but still I think the average price per acre is higher.

31,696. They are paid much higher wages in Perthshire?—Yes, but the labourer evidently gets through more work there, and there are more women employed, which reduces the price per acre.

Vacant farms.

31,697. Are there any farms unlet in your neighbourhood?—No.

31,698. And are there no small farms?—Yes, one of about 150 acres.

31,699. So that you cannot make a comparison between large and small farms?—No; the land is not adapted for small farming.

Reduction in rents.

31,700. Is the whole district in the possession of one landowner?—No; Massingham is in the possession of three landlords, the Marquess of Cholmondley, Lord Leicester, and Mr. Elwes.

31,701. Then I suppose the rents have all been reduced in about the same proportion?—Yes.

31,702–3. About 35 per cent.?—I say it is 30 to 50 per cent. in my proof.

31,704. You, of course, only compare it with what it was 11 years ago?—Yes. I think the great fall in prices took place about 10 or 12 years ago.

31,705. (*Viscount Cobham.*) Do you include the tithe in reduction of rent?—Yes.

31,706. (*Chairman.*) The landowner pays the tithe?—Yes.

31,707. Have the landlords been compelled to leave the country very much in consequence of the low prices?—In a great many instances where their income entirely depends upon land.

31,708. Have the tenants reduced their personal expenses in any form?—Yes.

Tenants' capital.

31,709. Have they reduced their capital?—In the case of a forced sale the tenants' capital of course would be reduced, but still they have the same quantity of dead stock, sheep and cattle to go on with, but prices within ten years have dropped very much on both dead and live stock.

31,710. The value of the capital in stock is reduced?—It has decreased.

31,711. But the amount remains the same?—The amount remains the same.

31,712. Do you say that generally of your district?—Yes.

31,713. That the farmer's capital remains the same in quantity?—Yes.

37,714. That is in stock and so forth?—Yes.

37,715. But the value has been reduced?—Yes.

37,716. Then any new tenant coming in with fresh capital would come in at an advantage?—Certainly at an advantage.

Reduction in number of labourers.

31,717. Has there been any reduction in the number of labourers?—Yes, to a certain extent, on account of bad times. Any men that would be kept on, perhaps for charity, have been dispensed with, and there is less philanthropy in the way of looking after old men and that sort of thing.

31,718. What reduction in the number of labourers is there on your farm—any?—No, I think I have just about the same quantity as when I entered.

31,719. Of course as there is no land laid down in grass, there is no reason for reduction?—No, it would not answer the purpose.

Economy of labour by use of machinery.

31,720. You have not introduced any new machinery which would dispense with labour, have you?—Yes, in harvest I have done with less men. I used to have as many as 24 harvest men, and now with binders I can do with 17, besides odd hands.

71,721. Is that on account of the introduction of machinery for binding?—For binding; and also I use elevators in stacking, and I employ all the machinery that I can profitably do in harvest work.

71,722. What economy in money has that effected in gathering in the harvest?—Very considerable economy. The harvest man receives 7*l.* each at present. For the difference between 17 and 24 men that would be 49*l.*

31,723. That is the economy effected amount of the?—Yes.

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31,724. (*Mr. Everett.*) There is the cost of machinery to be set against that?—There is, and the interest.

31,725. And the cost of keeping it up?—Yes.

31,726. (*Chairman.*) What should you say altogether. Should you have made an economy of 40*l.*?—40*l.* I should say.

71,727. And have your neighbours effected the same economy?—Yes, they have effected the same economy.

31,728. That is a very important economy?—Yes.

Land out of cultivation.

31,729. Has any land gone out of cultivation?—No, no land has gone out of cultivation in Massingham.

31,730. Is the land as well farmed as it was 10 years ago?—Apparently.

Changes of tenancy.

31,731. Have there been any changes in tenancy?—I know two instances in the district I speak of, but the farms were immediately taken up at the old rents—at the retiring rents.

31,732. Immediately taken up at the rent which the subgoing tenant paid?—Yes.

31,733. Were they men with capital ready to come in who took them?—Yes, because the farms were rather good and the conditions on which they could hire them were good.

Condition of farmers and trades people.

31,734. Has the depression told upon the village trades people?—Yes.

31,735. I suppose the farmers have effected economies?—Yes.

31,736. And they have not lived up to the same style, and so the village tradesmen and people have suffered?—Quite so.

Corn rents.

31,737. I suppose if the price of corn should be further reduced you would get a further reduction in your rent?—Yes, personally that is.

31,738. Has that system of fixing the rent been adopted on other farms in your neighbourhood?—Not that I have heard of. It was merely a suggestion of my own that my landlord fell in with.

31,739. Have your neighbours, do you know, got a proportionate reduction of rent or not; you told us that you, four years ago, adopted this new principle and your rent was then 550*l.*, and since then it has been reduced to 430*l.* on the sliding scale?—Yes.

31,740. Have your neighbours got the same proportion of reduction although they did not adopt the sliding scale?—I cannot talk exactly of that, but I think they have had reductions.

31,741. Abatements perhaps?—Yes, abatements.

Gambling in corn.

31,742, Then what do you attribute the low price of corn to?—The chief cause is, of course, the large importation of corn, and I have also a theory that some other people have that the gambling in the American markets has had a very serious effect on the price of corn.

31,743. Do you think the American wheat markets regulate the English market?—Yes, most decidedly.

31,744. And you think that this gambling produces its effect here?—Yes.

31,745. Is the wheat you grow equal to the American wheat or not?—It is a different class of wheat, it is not so dry. The millers like a certain proportion of English wheat to grind with foreign wheat as the foreign wheat is too steely and dry and our wheat amalgamates with it and helps it to grind better and make better flour.

Barley growing.

31,746. Do you grow much barley?—Yes, a considerable quantity of barley.

31,747.—Is your district favourable to the growing of best malting barley?—With favourable seasons it is.

31,748. Then the goodness or badness of the season has an important effect I suppose?—Very important. If the barley is of good quality it does for pale ales or for Burton, and if not it has to go to local maltings, which reduces the price considerably.

Reduced expenditure in farming.

31,749. Then has there been any reduction in the general expenditure of the farm by the farmer?—Do you mean in regard to labour?

31,750. Yes, and in keeping up the farm generally?—It has not increased.

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31,751. Has there been any reduction in the expenditure in that direction I mean?—Yes, decidedly.

31,752. Has it affected really the cultivation of the farm, or has it really mainly produced an effect on the appearance?—The savings that have been effected have been effected a good deal in this way, that farmers buy cakes and manures more carefully than they used to. In good times, farmers spent more than was necessary in growing a full crop. They do not expend lavishly; they only expend where necessary, and they look very sharply after any expenditure in that way.

31,753. In your notes I see you say there has been a reduction in the expenditure on hedge trimming, keeping borders, weeding corn, and so forth?—Yes, that is in the labour department. We have dispensed with a lot of that labour that we used to have when prices were better.

31,754. Has it affected the yield?—No, not that I see.

31,755. (*Viscount Cobham.*) Have you given up weeding corn?—We do it in the green crop every fourth year, and that keeps the weeds very much in check.

31,756. You think that is sufficient?—It keeps the weeds in check. Other weeds in the barley do not affect it so materially.

31,757. (*Chairman.*) And do you say that looking all round the production of the land has been decreased or not?—With a good season, taking this year in particular I think the district I speak of has never looked better.

31,758. This is, of course, a very favourable season?—Yes.

31,759. Should you say, looking all round, that the farming is as good as it was?—Yes, cultivation and farming.

31,760. And tenants appear to have sufficient capital?—They appear to have sufficient to get on with.

Freedom of cropping and sale of produce.

31,761. Is there freedom of cropping and sale of produce?—In my own instance I have absolute freedom of cropping and sale of produce, and as far as I can see my neighbours have the same, and they sell straw and so on.

31,762. Do you sell straw?—Yes.

31,763. And has that right of sale of straw effected any material reduction to set off against the low price of wheat?—Very much so, especially in a year like last year.

31,764. (*Viscount Cobham.*) Have you got a fair market for straw?—We have not, but last year was an exception in the way of a season; there was a famine of straw and the demand extended into our districts, so that we had a very fair market indeed for straw.

31,765. (*Chairman.*) What do you sell your straw at?—3*l.* at my station, free of expense.

31,766. How much do you grow on an acre?—A good season will give a ton to the acre and in a very bad season about half a ton.

31,767. (*Viscount Cobham.*) How much will the cost of carriage amount to?—It is produced here in evidence. Under the railway rates I say it is very prohibitive. The carriage of a ton of straw is 26*s.* on bound, 12*s.* 6*d.* on pressed straw from Massingham to London, a distance of 100 miles.

31,768. Would it pay you to get 2*l.* a ton for straw?—Yes, I consider that anything over 2*l.* is better than making it into manure, provided you can get a substitute on to the farm.

31,769. (*Mr. Dalton.*) Last year you got 3*l.* you say?—Yes.

31,770. (*Mr. Everett.*) Did you pay the binding?—No.

Cattle fattening and exclusion of Canadian stores.

31,771. (*Chairman.*) The district, I suppose, is not adapted for breeding cattle?—No.

31,772. You mostly buy your cattle in the autumn, I understand?—Yes.

31,773. Do you feel any difficulty from the inability to buy Canadian store cattle?—Yes.

31,774. Do those cattle from Canada pay well for fattening?—Yes, that is my experience.

31,775. And do you consider it is important, if possible, to have that market restored?—For a county that is a non-breeding county like ours depending upon an autumn supply of stores decidedly I do.

31,776. Do they fatten faster and better than English and Irish store cattle?—That is my experience.

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31,777. What do you consider is the loss per head on bullocks from the absence of Canadian store cattle?—I consider it was 2*l.* each last year.

31,778. 2*l.* a head?—Yes.

Winter dairying.

31,779. Do you think some relief might be brought about by winter dairying?—Yes, that is my impression.

31,780, Have you tried it yourself?—I have not tried it, but I can see how it could be worked out.

31,781. You think it is a thing that might be tried? It might be tried with advantage, because in many seasons we have to fatten bullocks at a loss, and there is always a demand for milk, especially in the winter time.

31,782. Do you propose to try it?—I have thought of trying it this winter.

Poultry rearing.

31,783. Do you think more might be done in the way of keeping poultry?—Yes.

31,784. Has the price of poultry been maintained?—Yes, the price of poultry is higher than when corn was twice the price it is now. There is an unlimited demand for fresh eggs especially. That is within my personal experience, as I keep a great many hens and send the eggs to London, and it pays very well.

31,785. I suppose it is mainly on the small farms that you would look for any great extension in that direction?—By no means. I think it could be quite applied to large farms. My own experience is, I have built a lot of small poultry houses and put them over the farm and employ a man on commission to go and get the eggs.

31,786. Is the poultry farm an important item in your receipts?—Yes, it has paid better than any branch of stock this last year or two.

31,787. What have you made in a year by poultry?—This year I will get as much 150*l.* for hens' eggs, and I should not think the gross expenditure for that would be more than 70*l.*

Marking of foreign and colonial meat.

31,788. Do you consider that the marking of foreign and colonial meat is important?—Yes, I do.

31,789. Do you think that the farmers lose a good deal by their methods of selling stock?—Yes, I am quite sure of it.

31,790. What do you do yourself?—I am forced to sell under the existing condition of things, but if a farmer only sells fat stock three months in the year he is bound to be at a disadvantage with butchers selling and buying them every day all the year round.

Extension of sheep breeding.

31,791. Then do you think, inasmuch as the price of mutton compares well with the prices of other articles of produce, that there might be more extension of the breeding of sheep?—Yes.

31,792. Have you extended your own flocks yourself?—I have always started with as many sheep as my farm could conveniently carry, and I have kept it up, and it would be a great error to overdo a farm with sheep.

Corn rents.

31,793. Then do you recommend your scheme of a scale of rents according to the price of corn, as a method which might be generally adopted?—I find it works out very satisfactorily.

31,794. You find it works out well?—Yes.

31,795. I suppose in former times it might not have answered so well, when the price of corn varied according to the harvest?—I do not think so. I have always told my landlord I would much rather pay him an advance of rent than a reduction, because it would be more advantageous to me.

31,796. But you might have a high price of corn with a bad crop?—There might be that circumstance, but still that would be the exception.

31,797. That has not been the rule of late years?—No, except last year.

31,798. But it used to be that the price of corn rose and fell with the harvest?—Yes, but that is not the experience of recent years.

31,799. But of late years that has not been so?—No.

31,800. And you think, therefore, that the argument in favour of corn rents is strengthened?—Yes.

Judicial rents.

31,801. Has the question of judicial rents been discussed in your neighbourhood?—No.

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31,802. Have you formed an opinion upon it yourself?—I think it is totally unnecessary. The arrangements come to between landlord and tenant are quite satisfactory, so far as I can see.

31,803. You have found no difficulty in making a bargain yourself?—No difficulty at all.

31,804. Do you hold on a yearly tenancy?—I have an eight years' lease, four years of which is run.

Leases.

31,805. Are leases common in the district?—No, I think not. I think they have gone more out of fashion lately; they are mostly yearly tenants.

31,806. That is on account of the uncertainty of tenure, I suppose?—Partly, but also because we pass through great changes.

31,807. And you have provided against that by your system of rent, according to corn valuation?—Yes.

31,808. Before you were able to make a lease?—Yes.

Sliding scale for rent.

31,809. (*Viscount Cobham.*) Does that corn valuation take effect every year?—Yes, it is in every year's rent.

31,810. (*Chairman.*) Then have you any general recommendations to make with a view to the depression in agriculture?—I think I have stated in my proof most that I know of as to remedies. The chief thing is the railway rates. I think it would be a great boon to any corn-growing district if we could have a free interchange of products—selling straw and receiving town manure. I believe, up to a certain point, on the Great Northern Railway they take London manure at a very low rate, but that has not been extended to our neighbourhood yet. It is 7*s.* 6*d.* a ton yet, I think. A large quantity would be taken up if delivered at our station at 3*s.* 6*d.* per ton.

Cost of reaping and binding by machinery.

31,811. (*Mr. Everett.*) In regard to what you say about using this reaping and binding machine, about how many acres of corn do you cut with it in a year?—About 100 acres, I should think.

31,812. How much does the string cost per acre?—It depends upon the crop very much. A large crop requires very much more string than a small one, but I should think on an average it is about 1*s.* 3*d.* an acre.

31,813. Then you require oil, do not you?—Yes.

31,814. And do not you have a good many repairs to do?—Not as yet. Of course, my machines have not been very long in use, but in time there will, of course, be more of that. I should think oil and repairs would amount to about 5*l.* a year.

31,815. Then your machine will wear out in 10 or 12 years altogether probably, would it not?—Yes.

31,816. And should not you set by 10*l.* a year or something like that for that purpose?—I do not know, if I spend 5*l.* a year in keeping it up, I should not. With that liberal allowance for repairs, that should keep it up. I have now horse reapers in my possession that I have had 10 years and they are as good as ever, but I have, of course, always kept them in good repair.

Sale of fat stock.

31,817. In regard to selling fat stock, have not you good auctions in your district?—Yes, we have.

31,818. And do not you think if a man sends little and often to them he could get full market value?—Quite so. I think if one sent regularly all the year round you would arrive at an average, but the Norfolk season for fat stock really only extends to three or four months. We have not the advantage of an all-the-year-round season. We buy stock and sell them directly they are fat, before the grass cattle come in.

31,819. That is our Suffolk custom too, and some of the keenest farmers I have known have told me that by selling little and often they have done better than by selling privately, and they have made the full market value. Do you agree with that?—I think so too, if I had 50 markets in the year, that is, sold once a week, all the year round.

31,820. What part of Norfolk is Massingham in?—West Norfolk.

31,821. Do you know Mr. Clare Sewell Reed—by name, at any rate?—Yes, only by name.

Decadence of agriculture in Norfolk.

31,822. When he was here he said there had been a great decadence of agriculture in Norfolk, and he spoke of the land not being farmed near so well as it was, and he said he thought that was much more because of the losses of the tenant than because of bad landlords or anything else. What do you say?—Of course my experience only goes back 10 years in Norfolk. No one is better qualified than Mr. Reed to talk on Norfolk agriculture, and what he said I am sorry to say is only too true of a very wide area of Norfolk, and what I should say also, applying my examination to Norfolk as a county, but not to Massingham as a district.

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31,823. He speaks of land, in fact of all the land he had known improved in Norfolk, having now relapsed to the condition it was in before the improvements commenced, but your experience really did not begin till the depression had very decidedly established itself?—Yes, that is so.

31,824. (*Viscount Cobham.*) I think he said the prospect is one of absolute ruin to farmers?—I do not say it is one of very great prosperity, but I do not see any reason why light land farmers should not make a living, even in these times, if they have a fair hire and adapt themselves to the times.

Prices of corn, wool, and meat.

31,825. (*Mr. Everett.*) You speak in your syllabus of receipts from the sale of corn being less?—Yes.

31,826. Are not the receipts from also wool and meat less as well?—Corn includes wheat.

31,827. From wool and meat?—Yes, very much less; I should think 30 to 40 per cent. less.

31,828. The whole produce of the farm practically is lower?—Yes.

Effect of American markets on prices.

31,829. Then you speak of the American wheat markets altogether regulating the English ones?—Yes.

31,830. Curiously enough, we had a gentleman here who was very familiar with American markets, and he told us that the English market regulated the American?—What I say is that if we go to market with our samples of corn the merchants always hold out the state of the American markets as regulating the price they are going to give for it.

Condition of farmers in his neighbourhood.

31,831. (*Mr. Dalton.*) Do you know many farmers in your neighbourhood who have been ruined?—No, not in the district where I am. Still plenty have lost all their money within the last 20 years.

31,832. Are they mostly the same farmers who were holding some years ago?—There have been two changes in occupation in my neighbourhood since I went there.

Particulars of his own farm.

31,833. Do you know what the tithe is on your farm?—5*s.* 6*d.* an acre.

31,834. That leaves very little rent to your landlord?—Very little, indeed, but, however, he augments it considerably by letting the shooting.

31,835. Do you know what the shooting is let for?—I cannot say, exactly.

31,836. Is there a good residence on the farm?—Fair only.

31,837. How far are you from a market town?—Twelve miles.

31,838. What is your market town?—King's Lynn.

31,839. Then you are badly situated with respect to markets?—Yes, as the local railway rates are high.

Condition of farmers in his neighbourhood.

31,840. And notwithstanding that, you think farmers in your neighbourhood have been able to hold their own?—I cannot say we are very badly situated with respect to markets. We have a station within a mile of our farm. We are badly situated with regard to local railway rates. The railway rate from King's Lynn to Massingham is very excessive. We find we can cart our corn by waggon cheaper than we can carry it by paying the local railway rates.

31,841. (*Chairman.*) What is your union?—Freebridge, Lynn.

31,842. (*Mr. Gilmour.*) You said just now the shooting was let in this place?—Yes.

Damage by game.

31,843. Is there much complaint of game damage in that part of the country?—No, none, because we have the ground game ourselves—rabbits, and so on.

31,844. And by putting the Ground Game Act in force you are able to protect yourself?—I do not require it in my hiring. I have the rabbits absolutely. I am allowed to get the hares if they interfere with my crop in any way.

Ground Game Act.

31,845. But you can only do that under the Ground Game Act?—Yes, I suppose so, if it came to a legal point, but it never has required decision.

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31,846. But you have not the right to go into covers and shoot hares, have you?—No, only on my land.

31,847. You are then under the Ground Game Act?—Yes.

31,848. And that protects you sufficiently, you find?—Yes, quite sufficiently.

31,849. Is there much ground game there?—There are a good many rabbits in the sheep walk on the heath, but we have them netted off, and they do not interfere with the crop to any extent.

Importation of Canadian and American cattle.

31,850. You are an advocate for the introduction of United States and Canadian cattle for feeding purposes, I think?—Yes.

31,851. I suppose you only advocate that if it is absolutely certain that they are free from disease in those countries?—Yes, quite so.

Freedom of cropping.

31,852. You stated also that you had freedom of cropping on your farm?—Yes.

31,853. But you have stated that you followed the custom of the country in your farming?—Yes.

31,854. Therefore the custom of the country under which the farms round about are carried on, is in your opinion a good mode of farming for that district?—Yes, very good.

31,855. Then the leave as to freedom of croppping in that country does not really convey very much benefit to you?—To this extent, as last year was a very bad season through drought and so on our small seeds failed, but in that case we could plough up those layers that had failed and put in a crop of corn. or we could put in a crop of corn if we had a piece of land in good condition after wheat, or grow two corn crops in succession, but any great departure from the four-course system is not advisable, I think.

31,856. Supposing freedom of cropping was given to the farmers of that district, there would not be very great departure from the present system?—No.

31,857. (*Chairman.*) You could not teach them anything from your Scotch experience?—No, I do not think so. I think the Norfolk four-course system takes a good deal of beating.

Reductions and abatements of rent.

31,858. (*Mr. Gilmour.*) Have difficulties in regard to rents in that district in these depressed times been fairly met by the landlords, in the shape of reductions and abatements?—Yes.

31,859. Then the old tenants as a rule are remaining on on their farms?—I am only talking of within 10 years. Of course, the tenants previous to that had gone and there have been fresh ones in that time. There have been some tenants more than 10 years there and they are there still.

31,860. You advocate the fixing of rent upon what is called the Fiars prices in Scotland, or what is tantamount to that?—Yes.

31,861. You are aware that rents not so long ago were fixed in that way?—Yes.

31,862. And you are aware that it is chiefly by the desire of the tenants in Scotland that that was done away with?—Yes. I suppose there would not be quite such a drop in the price of corn then as there has been within the last 10 years.

Corn rents.

31,863. But where you have a mixed husbandry it would be necessary to draw out a list of a good many more articles upon which the rent should be fixed than grain alone?—Yes, but I refer to a corn-growing district.

31,864. But would it be practicable to carry that system out in the generality of the farms of the country?—I do not know. I have not seen it tried generally. I have heard of it being tried, but in my own experience we are quite satisfied that it is a fair thing as between landlord and tenant, where corn is the principal product.

31,865. Yours being a purely corn-growing district?—Yes.

Sale by live weigh

31,866. You are in favour of selling by live weight?—Yes.

31,867. And you would like to see it more general than now?—Yes, I should.

31,868. Would you like to see it compulsory?—Yes, I would like to see it compulsory.

31,869. You think the tenant that fed cattle would be upsides then with the butcher?—Yes, on a more level footing.

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Poultry rearing.

31,870. Then with regard to the poultry department, do you say that you have had a good balance sheet from that?—Yes, I have found it paid last year.

31,871. In putting poultry houses down on different parts of the farm how many fowls do you allow to each house?—About 25 hens in a house.

31,872. Does the one person go round in the morning to superintend them?—Yes, I have a man and his family in an off building, and I allow him a commission for gathering eggs and looking after the hens, and he does all the work.

31,873. How many hens will he have to look after?—About 300 hens, I think.

31,874. Of a mixed sort?—Yes, a mixed sort.

31,875. What do you get for your eggs on an average?—About 1*d.* a piece clear.

31,876. Do you find that makes a balance sheet which pays well?—Yes, very well indeed.

Sale by live weight.

31,877. (*Mr. Giffen.*) In what way would you make the selling of cattle by live weight compulsory; what would be the nature of the compulsion?—I cannot say that I have just thought of any special system, but at present as the law exists there is bound to be a steel yard erected in every market town in order that cattle should be weighed and the weights registered and known if wanted. I have seen instances where it has been done, the farmers have had their cattle weighed, but directly they come into the market they are in a measure boycotted; the butchers do not care about it, and do not encourage it in any way, so that altogether it has become a dead letter.

31,878. However, the practice of selling by live weight seems to you to be a good thing?—Yes.

31,879. (*Sir Nigel Kingscote.*) Perhaps you would like to see weighing machines compulsorily set up in every market place?—Yes.

31,880. (*Mr. Giffen.*) You have them now at every market?—Yes, at our market, anyhow.

31,881. Would you make it a punishable offence to sell cattle by some other mode than live weight, or how would you do it?—I should not care to go that length. I would recommend the Government to take up repositories, and only sell by live weight. I am under the strong impression this would make the system fashionable, and eventually be a paying thing for the Government.

31,882. (*Mr. Dalton.*) Could you require all the cattle that come to the market to be weighed, whether sold by weight or not?—Yes, it could be done.

31,883. Would it be very inconvenient?—I do not think so.

31,884. (*Mr. Giffen.*) But that would not be compulsory sale by weight?—No.

Gambling in corn.

31,885. Have you made any calculation in respect to the loss in price that has arisen through the gambling in American markets that you speak of?—I cannot say; that is merely an opinion of my own, that is shared by a good many others. I must think that the selling and buying of corn that has never been grown and the agitation and excitement that is caused by this gambling must affect the real solid article that is to be had and handled.

31,886. But you can form no estimate as to what the difference of price is to you in consequence?—No.

31,887. Whether it is 1*s.* a quarter, or 2*s.* a quarter, or any other price?—No, I cannot.

31,888. And, of course, you have not settled the question of the effect of such operations generally in other markets as well as the markets for corn?—No.

Corn rents.

31,889. With regard to the sliding scale of rents, rents going up and down according to the price of corn, is your idea that upon a sliding scale of that kind being adopted, rent should go up 5 per cent. if there has been a 5 per cent rise in price of corn, and that it should go down 5 per cent. if there is a 5 per cent. fall in price?—Yes.

31,890. It is a purely arithmetical proportion of that kind that you have in mind?—Yes.

31,891. Would it not happen sometimes that if the price of produce were to go down 5 per cent. then, in

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order to make things equal, rents should go down somewhat more than 5 per cent.?—No, I do not think so, because the rent is only one item of the expenditure in connection with a farm, and I do not recommend the system on all produce, but only on corn in corn-growing districts.

31,892. But 5 per cent. on produce would amount to much more than 5 per cent. on the rent if you take it away without compensation?—Perhaps it would.

31,893. You do not see any difficulty of that kind in applying a sliding scale generally, do you?—No, in my own case there has been no difficulty arising from that.

31,894. How are the prices ascertained in your own case?—By the average return of the Board of Trade.

31,895. That is the Board of Agriculture?—Yes.

31,896. Taking the weekly prices of wheat, barley, and oats?—Yes.

31,897. But if you were extending it to other products you might have some difficulty in finding the prices to be taken?—Yes, in the case of cattle and sheep it would be very difficult, I should think, to get it.

Scotch farmers in his neighbourhood.

31,898. (*Mr. Whitehead.*) Have the other Scotch farmers in your neighbourhood done equally well with yourself?—They came 11 years ago, and they have all their stock and crop on the land, and they seem to be holding themselves together, but I cannot say how they stand exactly.

31,899. Have you and your Scotch friends done better than the natives?—No, I do not think so.

31,900. Not at all?—No, I do not think so. There is no reason to think so.

31,901. You spoke as to introducing new systems of agriculture, and you said that you had not introduced any, but you forgot the system of poultry-keeping, I think, which brought in 150*l.* a year. That is new in that district, is it not?—No, there are several poultry ventures on a small scale.

31,902. Equally prosperous with your own?—I should think so—yes, because they seem to increase their quantity of poultry.

Poultry rearing.

31,903. (*Viscount Cobham.*) Do you include geese when you speak of poultry?—What I cultivate chiefly is an egg trade. I keep hens for eggs chiefly.

31,904. There is a large production of geese and turkeys in Norfolk, is there not?—Yes, but it is chiefly in the Fen district—geese are fed on the grass lands.

Condition of farmers in his neighbourhood.

31,905. (*Mr. Whitehead.*) I do not think you have told us how far round your district this comparative prosperity you have described extends?—Massingham is a district of about, I should say, roughly speaking, 6,000 acres.

31,906. Would not your description extend further than that—to the whole of the county?—I should not like to talk of any district outside of that. I could not say exactly not having known the county for so long a time, and undoubtedly there is great depression in some districts of Norfolk on the very heavy lands and very light blowing soils.

31,907. Would it extend to the western part?—My farm is situate about the middle of the western part of Norfolk.

31,908. Would it apply to the whole of the western part of Norfolk?—I cannot say, circumstances vary very materially, even within a few miles' distance.

31,909. Are we to understand it would only apply to a small district?—I cannot speak of any part beyond my own district.

31,910. Your evidence is so different from Mr. Read's evidence that it makes one think that it could only apply to a small district, comparatively speaking?—One reason why I think that farming is comparatively prosperous in our district of Norfolk is that the land is light. We have a very small horse labour bill, two horses can plough more than an acre a day, therefore we do not require to keep such a strong force of horses to cultivate the land.

31,911. (*Viscount Cobham.*) Two horses will plough more than an acre a day?—Yes, two horses will.

31,912. (*Mr. Whitehead.*) The land is lighter than other land is it?—Yes, but not too light. It is a fair mixture. It is easily worked.

31,913. You suggest the County Council should provide for the giving of lectures on poultry breeding, I think?—Yes.

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31,914. Have they done that at all?—Not in our county.

Lectures on poultry rearing.

31,915. Do you think it would be desirable that they should?—I think so.

31,916. And with regard to what you call winter dairying, will you tell the Commission how you would work that? What would you do with the cows in the summer?—Of course that would alter our system to a certain extent. We would require to grow some vetches or green stuff for the summer to keep them through, but I would have them as much as possible come into profit in October, or in the winter time, and have the benefit of the milk trade then.

Winter dairying.

31,917. Having no pasture there, you would have to find green stuff in the summer time?—Yes.

31,918. But you think even then the system would pay?—I think it would. It is my strong impression it would, although I have not tried it.

31,919. Would it, do you think, apply to many other districts in England where there is not much grass land?—Yes, I think it would, if it has corresponding conditions.

31,920. (*Viscount Cobham.*) Would not you have to feed your cows largely on roots?—Yes, but of course we have the roots.

31,921. But would not that affect the quality of the milk?—By steaming and pulping with the addition of artificial foods it would lessen that I should think.

31,922. It is a difficulty that is found at present in Norfolk, is it not?—I do not know any case where there is dairying in Norfolk in which they have had much complaint of turnipy milk.

31,923. Norfolk butter is not of very high quality is it?—No; but I do not advocate a butter, but a winter milk-trade.

His own farm.

31,924. Did you find any disadvantages from your nationality when you first came into Norfolk with your men or in other ways?—No; not at all.

31,925. Did you bring any Scotch labourers?—No, none.

31,926. You think you have had a fair chance throughout?—Yes.

31,927. Do you hold under one landlord or more?—Only one.

31,928. You say you cannot breed stock in Norfolk because of the want of grass and the dryness of the climate?—That is cattle, but it is admirably adapted for sheep-breeding.

Cattle breeding Scotland.

31,929. Did you breed stock when you were in Perthshire?—Yes.

31,930. The conditions being more favourable for it there?—Yes.

31,931. But there are many parts of Scotland where they do not breed?—Yes.

31,932. What are the disadvantages of those districts?—Of the non-breeding districts?

31,933. Yes?—I should think the same as ours—a lack of store cattle when they want them, and they consequently have to give a high price for the few stores in the market.

31,934. There is generally grass and a moist climate in Scotland, is there not?—As to the moist climate that does not apply so much to the eastern counties. The rainfall is less there than in the western counties, the same as in England.

Position of his landlord

31,935. I see after the landlord has paid the tithe rent-charge there is only about 150*l.* a year rent left to him from your farm?—Yes.

31,936. I suppose this year when the calculation is made the rent will be appreciably lower than it is now?—I think the corn prices are just about the same as they were last year—23*s.* about.

31,937. Wheat has reached its lowest?—Yes, but oats have kept up the average. I do not think there is more than a shilling difference in the average price.

31,938. Upon the farm the landlord has to pay income tax?—Yes.

31,939. And to do repairs?—Yes.

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31,940. I suppose you would hardly say he does it out of the rent at all?—There is the shooting rent to fall back upon. That is a good rent. That would keep up repairs.

31,941. That includes the house, does it not?—No, I have the house. My landlord lets his mansion house but he lets some other shooting with it.

31,942. Do not the figures point to the probability of a good deal of land even in your district going out of cultivation?—It has not set in yet, land going out of cultivation in Massingham.

31,943. But do not you think with any further reduction of the margin of rent that much land will go back into a state of nature in North Norfolk and West Norfolk?—Yes, I should think so, because the rents are certainly very low.

31,944. (*Mr. Dalton*). Does the landlord pay the land tax?—Yes.

31,945. In addition to the tithe and income tax?—Yes.

31,946. The land tax is high with you, I think?—I do not know.

31,947. Mr. Reed stated it was high?—I should not think in our district it would be very high.

Maintenance of buildings.

31,948. (*Viscount Cobham*). So far, have the buildings been well maintained?—Only fairly well. The buildings are not good.

31,949. Obviously that would become a greater difficulty as time goes on?—Yes.

Profit and loss account on his books.

31,950. (*Chairman*). Do you keep a careful balance-sheet year by year?—No. I do not keep very accurate books. I have done so, but I found it was of no practical use to me as a farmer, as I have no book debts; everything I sell is for cash, and I have a clear idea of it, and a good memory for business transactions.

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31,951. Do you not make out a profit and loss account at the end of the year?—Yes.

31,952. And do you value your stock for that purpose?—No, I just have the same stocking on the farm and value that.

31,953. You take the stock as being of the same amount each year?—Yes.

31,954. And you make the profit and loss account vary with the outgoings and incomings?—Yes.

31,955. Therefore you do not deduct for your loss, any reduction in the value of your stock?—No, it is a very difficult thing to do because there is nothing varies so much as the price of stock. In a week live stock may go up 10 per cent. or fall 10 per cent., or within six months live stock may be worth 30 per cent. more.

31,956. I think you said that although wages were much higher in Perthshire than in Norfolk, yet the labour bill is about the same?—Yes.

Wages in Perthshire and Norfolk compared.

31,957. That would tend to show that the higher priced labour is more effective and more efficient than the low priced labour?—I do not know that it is that altogether. There are women employed in Scotland where they are not in England, and what we do with men here is done by women in a great many instances in Scotland.

The witness withdrew.

Adjourned to to-morrow at 12 o'clock.

Fifty-fifth Day.

Friday, 20th July 1894.

PRESENT:

SIR ROBERT NIGEL FITZHARDINGE KINGSCOTE, K.C.B., IN THE CHAIR.

Viscount COBHAM.
The Right Hon. HENRY CHAPLIN, M.P.
ROBERT GIFFEN, Esq., C.B.
CHARLES ISAAC ELTON, Esq., Q.C.
Captain OWEN THOMAS.
FRANCIS ALLSTON CHANNING, Esq., M.P.
JOHN CLAY, Esq.
ROBERT LACEY EVERETT, Esq., M.P.
JOHN GILMOUR, Esq.
GEORGE LAMBERT, Esq., M.P.
WILLIAM CUTLACK LITTLE, Esq.
WALTER HUME LONG, Esq., M.P.
CHARLES WHITEHEAD, Esq., F.L.S.

HERBERT LYON, Esq., *Secretary*.
R. F. CRAWFORD, Esq., *Assistant Secretary*.

Mr. HENRY R. FARQUHARSON, M.P., called and examined.

Mr. H. R. Farquharson, M.P. 20 July 1894.

His own farm.

31,958. (*Sir Nigel Kingscote.*) You are a Member of Parliament for West Dorset?—Yes.

31,959. A landowner in Dorset?—Yes.

31,960. Farming how many acres?—About 800 just now.

31,961. Is that likely to be increased?—I know it will be increased at Michaelmas.

31,962. I think one object of your coming here to-day is to give your opinion as to the result of the establishment of frozen chambers in different market towns?—Yes, I was anxious to offer a suggestion on that point.

31,963. I may ask first of all—I am aware of it myself, but the other Commissioners are not—you farm, I believe, largely for the sake of dairying?—I farm a dairy, and in addition to that it is a corn and sheep farm as well. It is mostly arable land that we have.

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Frozen chambers for agricultural produce.

31,964. Then are these frozen chambers to contain every sort of agricultural produce—meat and dairying?—Yes.

31,965. What is your proposal?—I think that if we have some frozen chambers at moderate sized agricultural centres farmers might utilise them in years when keep was short and when they have a number of lambs to sell in the fall of the year. They very often now have to sell them at such a price that if they were killed they would not be selling at more than about 3*d.* or 2¾*d.* per pound. I think if these chambers were established the farmers could kill these lambs, or other people could buy them and kill them and put them into these chambers dead and sell them as lamb mutton, when there was not such a glut upon the market, at a great deal better price than the 3*d.* per pound. As regards beef, I am told that beef does not keep so well as mutton and will only stand being

chilled, but that keeps for six weeks well when it is chilled. A great deal of the coarser sort of meat is very often ripe for death at the end of September or early in October. If that was killed instead of being kept alive at great cost until about Christmas time there would be a great saving of keep, as the expense of keeping it in these frozen chambers is very small indeed.

31,966. Your object would be to more equalise the market?—Yes, and it would enable farmers in the country generally to keep a great deal more breeding stock, because it is in the winter months when the amount of stock a man can keep has to be cut down.

Frozen chambers for milk and butter.

31,967. Do you propose that these chambers should also hold dairy produce?—As far as the dairy produce is concerned, I thought that instead of butter being salted as it is now, it might very well be kept there with very much less per-centage of salt. And in addition to that, if butter in the summer time was chilled in one of these chambers it would become very much firmer for railway carriage; farmers could keep their butter there for a week or two until they got the ton rates of freight. The way I think it would be most useful for dairy farmers is that it would bring people's milk within the limits of the London market, because milk which is chilled will keep for two or three days afterwards as fresh as the fresh milk. In countries such as I live in, Dorsetshire, we cannot send our milk to London owing to the length of the railway distance—it will not get there fresh; but if we had this system of chilling it, every dairy farmer could take his milk in and have it chilled and then send it to London in the course of the next day.

31,968. Let me take your own case: I happen to know your place, but the other gentlemen do not. Where would you put one of these chilled chambers?—I should put one in Blandford.

31,969. How far are you from Blandford?—About 4½ miles.

31,970. Therefore you would be enabled to send your milk to Blandford once or twice a day?—Yes, and place it in this chamber to have it chilled. It could go off that night or the next day and would arrive here in London and keep then perfectly fresh for two or three days. I am informed that in several of the large dairy factories they do chill their milk now before they send it up.

31,971. Have you any idea how long it will keep when it is chilled?—I was asking yesterday, and I was told it would keep three or four days perfectly as fresh as the freshest milk.

31,972. How would you propose that these buildings should be erected—who is to pay for them?—In the first instance I think the Government ought to give us an experimental one or two in different districts; but after that I should have thought it would have paid the corporations of these towns to build them.

Tariff for storage in frozen chambers.

31,973. I conclude that you propose that a tariff should be paid for the storage of whatever is put into it, whether it is meat or whether it is dairy produce?—Of course it would be paid for by the farmers or the persons who put any produce in.

31,974. They would have to pay a tariff?—Yes.

31,975. And that tariff you would suggest should be sufficient to support the building?—Yes, and to pay a decent profit on it. It ought to.

31,976. On the original outlay?—And on the maintenance.

Cost of erecting and fitting frozen chambers.

31,977. The original outlay would be very considerable, would it not?—Not so considerable. I have brought a table with me showing about the cost of one system, but I am told that there is a very much cheaper system in use. It appears that the machinery which would chill a cubic space of a million feet (that is of course a very large one) would cost 7,000*l.*; whereas machinery that would cool a cubic space of 16,000 feet would cost about 500*l.* (*See Appendix* .)

31,978. That is the machinery?—Yes.

31,979. But we must have the building first, I suppose?—Yes. If you put your buildings at 1,000*l.* and 500*l.* for your machinery, you get a place then costing you 1,500*l.* The rates that are now paid in these places in London are such as to pay a handsome profit to the owners of the frozen chambers; and in addition to that in London of course the cost of the water which is used is something enormous; it all has to be paid for. But in country districts—take, for instance, the town I mentioned, Blandford—where there is a river, the water would cost nothing; and that would very much reduce the cost of keeping those places frozen.

31,980. You must have pure water, must you not?—No, I do not think it is required very pure. Of course the colder the water, the better.

Chilled milk.

31,981. Do you maintain that supposing, say, from Blandford, chilled milk was sent, the retailer in London would give more for it than he would for milk sent up now in the usual way unchilled?—I know he would, because it would be sour when it got here now. It will not come at all now; we cannot send it at all.

31,982. You could not perhaps from Blandford, but you have got to compete with the regular market?—I have no doubt the retailer would give just as much for the chilled milk as he does for any other. In fact, as I said just now, I know one very large company which I am informed chill their milk now before they send it up.

Tariff for storage in frozen chambers.

31,983. What I want to get your opinion about is this: how is the tariff for the storing of this milk or any other produce to be paid for when you have the carriage still the same afterwards?—It is not so much a question of the carriage as it is the possibility of carrying it at all. At present we are so distant from London by train that we cannot send our milk at all to London, but a chilling process would put us within reach of the London market, when it would pay us or not, according to the rates of freight—that of course is another question. Perhaps I might say that I now for some years have been in the habit of sending game to the Leadenhall Market Cold Storage Company at the end of the season, and I eat it in the course of the summer. Three years ago a stag I shot in Scotland I sent to this chamber. Last summer I gave a dinner party at the House of Commons to some of my friends on a haunch of this venison which was 18 months old, and they all said it was as good venison as they had ever tasted in their lives. The cost of keeping it there is that I pay 2*d.* a stone a month; that amounts to a farthing a pound. Of course they have a great rent to pay—it is in the City, and they have to pay very heavily for their water, but that allows them a handsome profit.

31,984. The storagers might get a handsome profit, but I cannot quite reconcile to myself that the farmer would be able to pay the tariff for these storages, and take the same price for his commodity afterwards?—If you take myself as a farmer, I have a dairy farm among other things. If I sent my milk to London I should send it into this frozen chamber to be chilled, which might take an hour to get through a quantity of it, and I should have to pay something for that chilling process, but not very much. Then I should be in the position if it paid me, if the freights would allow me to send my milk to London, but I cannot do it now.

Frozen chambers for butter and milk.

31,985. May I ask what you do with your milk now?—I make cheese and butter. In the butter business again it would be greatly to the advantage of farmers if they could have their butter put into a chamber for a few hours; it travels so much better.

31,986. In your case it would have to go five or six miles before it got to that chamber?—And my butter does now, of course, before it gets to the station.

Frozen chambers for mutton and vegetables.

31,987. Do you chill your own butter now?—No, I cannot do it; and in the hot weather it makes it very difficult to travel butter properly. I think that in the case of sheep it is of more importance still, because, as you know last season, there was a very bad prospect for keep in the winter, and farmers had to give away practically their lambs which they sell now in the following months, because there is no possibility of keeping them in the winter. If we had had a frozen chamber we could have killed our lambs fairly fat as they were at the end of the summer, and sold them out in the course of the next three or four months at considerable advantage to ourselves. You know, too, mutton made quite a high price in January and February. Vegetables are another thing. I travel on board these great steamers where they have these frozen chambers, and you get your vegetables, cauliflowers and things, as fresh as on the day they were picked.

Government aid for erection of frozen chambers.

31,988. As regards these buildings I think you said something, only you did not clearly define what, that the Government ought to help in putting up these buildings?—My idea is, in the first instance, to see

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whether they would be practicable, that the Government should choose one or two centres, and establish something of the sort. If it was found to be useful and profitable I have no doubt that private enterprise would do the rest.

31,989 Or lend the money at a certain per-centage?—Yes, or allow the corporations to do it, because the same power which freezes with very little addition makes electric light, makes ice and all sorts of things of that kind. There are a great many uses it can be put to.

Frozen chambers for meat.

31,990. Is there any other point you wish to remark upon as regards these chambers?—One other point would be—it is apparently a small one—that it puts meat within the reach of the very poorest people, because they are practically their own butchers. Take the case of a farm labourer. Often and often his employer would sell him a sheep for a very little compared with what he would have to pay if he bought the mutton by the pound. But he cannot buy it now, because he knows that he cannot consume a sheep, but if he took a sheep and sent it in there he would have a pound or whatever he liked out from time to time. As regards the cost, the cost of the storage of butter is a great deal less than the storage of meat, because it occupies less space. It comes to about the third of a farthing a month per pound, and anybody who knows the difference between the price of fresh butter and salt butter would know that that third of a farthing would pay a farmer handsomely.

Cost of erecting frozen chambers.

31,991. To make these buildings remunerative they must be built as it were together—there must be a place for meat and a place for dairy produce in the same building?—Yes, you would want a separate place to chill milk, that would be all—a place half the size of this room.

31,992. It would take a considerable building?—I spent some hours in one yesterday in the city; the space is really quite small; there of course space is so very valuable. The cost is based upon what they charge me at this cold storage company, where they have to pay so heavily for their water, and such an enormous rent for the space they use.

31,993. Is that the Cannon Street stores?—It is the Leadenhall Market Cold Storage Company. It is in Leadenhall Market. The office is at 18, Lawrence Pountney Hill.

Tithe-rent charge.

31,994. Have you any other point you wish to bring before us?—Not on that subject.

31,995. I think you would like to say something as regards the tithe question?—I should like to do so.

31,996. What is it you would like to say as regards that?—I wanted to give evidence before the Royal Commission on Tithes, but my evidence was refused by Lord Basing, who was the chairman, because he said that his Commission was only to inquire into the best way of redeeming tithe, and not as to the excessive character of the tithe. I submit that the tithe all over England is very much higher than it was ever intended to be by the Tithe Commutation Act. The object I believe of the Tithe Commutation Act was to give to the tithe owner the same net value after the Act passed as before, and in order to do that they sent round Commissioners to ascertain what the average net value had been of the tithe to the tithe owner for the preceding seven years. That average was to be part of the par value for the future, but as in the future the tithe owner would have to pay rates they also said to him: What has been the average rate in your parish during the past seven years? The average rate at that time was very high on account of the old poor laws.

Inclusion of rates in tithe commutation.

31,997. What period are you alluding to at this moment?—I am speaking of the seven years preceding the Tithe Commutation Act, which I think was 1836. The consequence was that they made enormous additions to the par value of the tithe in order to enable the tithe owner to pay rates in future. Take the instance of a tithe owner who said: "The net value of "my tithe has been 100*l.* on an average for the last "seven years, and the rate in the parish on an "average of the past seven years has been 10*s.* in the "£." The Tithe Commissioners said: "Very well, "your par value in the future is 150*l.*—that is, 100*l.* to "give you your old net value, and 50*l.* with which to "pay those rates." But the moment that the new Tithe Act came into force the new poor law came into force, and the rates which had been 10*s.* in the £ went down in half-a-crown in the £. The consequence was this tithe owner, who ought only to have had 112*l.* 10*s.*—that is, 100*l.* for himself and 12*l.* 10*s.* for rates—got 150*l.*, leaving him 137*l.* 10*s.* for himself and 12*l.* 10*s.* for the rates. It would be so easy if the Government were in the mind to do it to take the Tithe Commissioners' reports, because in nearly every instance they keep them separate. You see in one column the net value of the tithe, and in the next column you see what is added for rates, and those two columns added together make the par value now. What I submit ought to be done is this—you should say: "Very well, "strike off the whole of that column of the amount "added for rates, leave the tithe owner what was "intended to be his real tithe, and let the tithe payer "in the future pay the rates on the tithe whatever "they are, high or low." I could instance a parish in Hampshire, the parish of Tadley; in that parish they actually added 19*s.* in the £ for rates, making the par value at the time nearly double what it ought to have been. I wrote down two or three years ago to ascertain what the rate at that moment was, and, if my memory serves me, it was 1*s.* 3*d.* in the £. There are parishes in Essex and in the eastern counties where the poor law has been badly administered. There you will find now of course the tithe is enormously high on account of these additions for rates.

31,998. You attribute it entirely to this addition for rates?—Yes, I believe that the high tithe in most cases is nearly always caused by the enormous additions made by the Tithe Commissioners for rates. There are the Tithe Commissioners' reports in the library of the House of Commons, it is shown as plainly as possible in them.

31,999. (*Captain Owen Thomas.*) Tithes are much higher in what used to be corn-growing districts, are they not?—As a rule, broadly speaking, in corn-growing districts they are.

32,000. (*Sir Nigel Kingscote.*) You believe this applies universally throughout England?—I know it does, because the Tithe Commissioners' reports made additions for rates, and there are those additions in black and white now in their reports kept separate.

32,001. Taking your own case, where you live would it make much difference there?—Our rates were not very high. I do not think it would make a very great deal of difference. It would make a difference, but my predecessor used to employ the people and so kept the rates low.

32,002. Is there anything else on the tithe question you would like to say?—No, I do not know that there is, excepting that I should like very strongly to insist upon the injustice of letting the present state of things go on as it does. Formerly it was very well to say—you made your bargain in 1836 and you must stick to it, but I contend that this last Tithe Act re-opened the whole question. It re-opened the agreement, and the tithe payers have a perfect right to say: You have no right to consider this matter only in the case of the tithe owner, without considering also the claims of the tithe payer.

32,003. Before the passing of the last Act did you pay your tithe or did your tenants pay the tithe?—I have always paid my own tithe. It made no difference to me personally.

32,004. (*Mr. Elton.*) I suppose when the Tithe Commutation Act was passed there were several other things taken into account besides the rates and the seven years' payments?—Whatever they were are given in an additional column in the Tithe Commissioners' reports.

32,005. There were general matters like the great difficulty of collecting the proper amount of the tithe, the perpetual quarrels, and one thing and the other?—I think that was rather the cause of the Tithe Commutation Act, but I do not think you will find in the Commissioners' reports that they made any allowances for that.

32,006. What I was suggesting was that you said you had put rather strongly what the object of the Act was. I venture to remind you that there was a great object in making peace between the two parties?—I will alter that statement then. I will not say the object of the Act, but the object of the conduct of the Commissioners, or their instructions, or their intentions.

32,007. I think you have got the advantage of us in knowing the dates, the poor law was in 1834, I think?—Did it not come into force in January 1836 for the first time—I think it did.

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32,008. I daresay. What I was leading up to was that the provisions of the poor law were perfectly well known?—Yes.

32,009. Therefore why did they make mistakes about its operations; why did they make such a mistake as to think that the old rates would go on?—It was in just the same way I would submit that when we had our County Council Act passed, the Local Government Act, we were told that probably centralising the business would reduce the rates. Nobody believed it, and they were quite right in this case. But with regard to the old poor law, we were told it was going to reduce the rates; nobody believed it, but they were quite wrong in that case.

32,010. I am only asking your opinion, but that must be qualified to some extent, because no one would believe that that 19*s.* in the £ rate was going on always after the new Act was passed?—The fact remains.

32,011. (*Mr. Little.*) Was not a retrospective view taken of rates as well as value; was not the allowance for rates based upon the seven previous years?—They added 19*s.* in the £ to the rates in that parish of Tadley.

32,012. (*Mr. Elton.*) Then I say that they made what I call a mistake, that is to say, a gross imprudence, knowing what the provisions of the Poor Law Act were going to be?—And not believing what effect they would have.

32,013. Then I further suggested that perhaps we ought also to consider whether this was part of a general policy of give and take, whether it might not be that they favoured the clergy in that respect?—On looking through the Commutation Books I have been unable to find any evidence of the policy of give on the part of the tithe owners.

32,014. It was a question of give to them?—Yes, it was all take with them.

32,015. You see the point of my observation; it is rather a complicated subject, and we have to consider side issues as well; we cannot say actually that they did believe there would be 19*s.* in the £ payable in this unfortunate parish for certain, but they acted as if they did?—No, we know that they did because they put down in one column the amount of tithe or composition that was the net value of the preceding seven years, and then in the next column they put the amount added for rates.

32,016. They behaved very liberally?—They added those two together, and that made the tithe.

32,017. I only wanted to bring out what was actually done. I think you mentioned to one of the Commissioners, but I did not quite catch the answer, whether the tithe is heavier on corn or on grass as a rule?—I think universally on corn land.

Tithe rentcharge on corn and grass land compared.

32,018. I think the richest tithe in England is in a grass parish in Lincolnshire; a rectory of 10,000*l.* a year, which was cut up into three because it was so big?—In Somersetshire, which is a very grass country, I fancy the tithe is very low indeed.

32,019. In most parts of the county it would be of course naturally, but I should doubt it in the very rich pastures down by the Vale. However, your experience is all that we want to know?—My experience of course is very limited as regards tithe personally, but in Essex, which is a county I have looked into a great deal, there are, I think, most shameful instances of additions for rates. The parish of Hadleigh I think is one instance. I cannot remember the parishes now, but I made a list of them at one time where there were enormous additions for rates.

32,020. Could you supply us either with a reference or with a list of that sort, because I think it is very important from the way you have put it?—Certainly I could; I will make out a list of the parishes of that sort. (*See Appendix .*)

Frozen chambers for lamb.

32,021. We should be extremely obliged if you would. Just one or two questions about another of your points. Freezing the lambs in these cold chambers would of course be a very important matter for your county, because there they have very early lambs, have they not?—In one end of it, yes.

32,022. The lambs at Christmas are horned sheep?—Yes, but of course there is never a glut of those very early lambs; the glut consists of the Hampshire sheep.

32,023. Yes, but this is a very precious article with a view to Easter lamb, and so on?—Yes.

32,024. Therefore it would be all the better that none of it should be wasted; you have a particular article which deserves particular protection?—We think so.

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Disposal of milk.

32,025. You made some interesting remarks about the milk and the cheese; I gather from what you said that what might be called the revolution which has taken place in parts of Somerset has not reached you—that is to say, the winter milk is not made into cheese. Near Frome, for instance, it is all taken by the London tradespeople who want to buy milk; the farmer used to make cheese, now he stops making cheese in the winter months, and he has a constant demand from London. Do you find that in your part?—We cannot get to London with milk. I do not know, but I do not think you can make cheese in the winter at any time.

32,026. They used to make a bad cheese?—A very bad one; it would not ripen.

32,027. They certainly made it, and very bad it was; now they do not make it. If there were these chambers that you spoke of they would find it better in your part as well to send the milk to London, would they not?—Yes, summer and winter of course.

32,028. How far are you from Yeovil or Frome, are you anywhere within easy distance of the main line; how near is the Blandford district to the main line?—We are on the South-Western, which I believe is called a main line.

32,029. Are you on the main line?—No, I am on what they call the Somerset and Dorset Line.

32,030. How far is Blandford from the main line?—Twenty miles.

32,031. Blandford is where you would set up your freezing chambers, is it not?—Yes, and at Dorchester, say.

32,032. There would be 20 miles extra carriage and more before you got to the same zone as Frome?—Yes.

32,033. The prices are very high in London for milk in winter, are they not?—Very high. Of course, as an additional inducement I should say—perhaps it is a broad statement to make—that very little milk is sold in London exactly as it leaves the cow.

32,034. The Somersetshire milk, I am given to understand, coming from a good place and well reputed, fetches as much as 9*d.* a gallon in winter; would that price enable you to get a profit by bringing it from Dorsetshire?—I should think so, most certainly.

Agricultural Holdings Act. Farquharson *v.* Morgan.

32,035. I know of cases where it has gone to 9*d.*, or very near it. Have you any suggestion to make about the working of the Agricultural Holdings Act?—I do not know that I have any suggestions to make. I have been shown some evidence which has been given before this Commission mentioning a case which I had with one of my tenants.

32,036. That case was a little outside the Agricultural Holdings Act in this respect, was it not; it was a case about an award in which other items besides the statutory items were concerned, and, therefore, the county court judge could not deal with that award because it had things outside the Agricultural Holdings Act?—That was one of the points.

32,037. That is a correct point, is it not?—The first point rather was that the award was made so badly that it did not come under the Agricultural Holdings Act.

32,038. I think that answer about the badness or the goodness of the award is rather too local and personal a matter for us to go into?—It was the principal point, I think.

32,039. Our concern is to know whether any statement that has been made here is incorrect. This statement in our Blue Book only goes into public and general matters. As I understand, not only was there a point about the inclusion of other items (on which point we have had evidence from other gentlemen as to the desirability of amending the Act), but also there was another point as to whether the award was correct in other particulars?—The point is that what was owing and brought into that award outside the Agricultural Holdings Act was offered to be paid over and over again, and the other side refused to accept it.

32,040. I am anxious to ascertain whether there is anything that is incorrect in this evidence without going into local and personal things which were—perhaps properly—not mentioned to us; and whether there

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was anything that you would wish to correct—Most certainly there is. The whole thing is perfectly incorrect. Here is the question, Q. 9736, "The principal "point of that case is this, is it not: that it was agreed "between the tenant and the landlord in the lease that "items, which are not technically included in the "schedules and provisions of the Agricultural Hold-"ings Act, should be compensated for under the "procedure of the Agricultural Holdings Act, yet the "tenant failed in obtaining compensation for those "improvements, although protected by the lease?"—and the answer is—"He not only failed, but he has "been exposed to litigation for three years, and now "has got an adverse decision in the Court of Appeal." That is incorrect in this way, that that was not by any means the principal point; it was an entirely subsidiary point in the whole case, it was a very minor matter.

32,041. In the next question Lord Cobham asks, "That inclusion made the whole award bad? *A.* It "made the award practically outside the Act and bad." Is that correct?—Yes; only he was not exposed to litigation on that account. He could have had that money over and over again.

32,042. I quite understand; the gentleman who was giving the evidence had not that special knowledge which you necessarily have, and he gave his opinion incorrectly in some respects. The next question, which is the only remaining one on this subject, is Q. 9738, "I think you understand that the decision of "the judges was that the county court judge could not "make an order to enforce the award under the 24th "section of the Agricultural Holdings Act." That I have already practically put to you; but is that correct?—It was invalid.

32,043. Then you see that in the next question the honourable Commissioner says, "I am not entering "into the conduct of the landlord at all." I thought that as there had been statements about that complicated affair it was only right to see whether the answers previously given were wrong in any way?—I am obliged to you.

Inclusion of rates in tithe commutation.

32,044. (*Mr. Everett.*) In regard to the very interesting facts you have given us about tithes, do you happen to know by whom, when tithe was collected in kind, the rates were paid in the first instance?—I know that in some cases they were paid by the tithe owner, and in some by the tithe payer, but I believe they were paid by the tithe owner only when there was a composition of the tithe, or usually when there was a composition of the tithe.

32,045. The rates which were added to make up the final sum of the commutation were, I believe, the actual rates which had been paid on the average of the previous seven years?—That is so.

His own farm.

32,046. (*Capt. Owen Thomas.*) How long have you been engaged in farming?—About 15 years.

32,047. I see that you are farming 800 acres at present, and that that quantity will be doubled at Michaelmas. Is farming very profitable in Dorsetshire?—No, it is not very profitable. I farm 800 acres, and 500 acres of that was the farm that this case was about. I should prefer not to farm it if I could let it at a remunerative price. I do not find farming a very profitable occupation.

32,048. How much an acre is land rented at in your district?—The 500 acres farm I used to have 300*l.* a year for from the tenant this trouble was about.

32,049. (*Mr. Lambert.*) You say you would let it if you could let it at a remunerative price; what was the old rent?—That farm was never let as a farm before this man had it. It was made up of parts of others, which have been made smaller.

32,050. Could you give us an estimate of what the rent was as a whole?—I should think that the rent of that farm at one time would have been 400*l.* or 500*l.* a year.

32,051. Is there any difficulty in getting tenants?—I think there is a difficulty in getting tenants; I know there is a great difficulty in getting substantial tenants.

Rent of farms in his neighbourhood.

32,052. Do you know of any large farms let for about five shillings an acre in your neighbourhood?—No, I cannot say that I do.

32,053. What is the usual rate?—I may say this, that within a very few miles of my house—within nine or 10 miles—I believe there is a large farm let rent free.

32,054. What sort of land is that?—Poor arable land; it is a large arable farm.

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32,055. You advocate the establishment of frozen chambers, have you any practical experience as to whether, as you suggest, dairy farm butter need no longer be salted, and that butter can be stored until several tons are ready for despatch; do you think that butter so stored would be equal to the fresh butter?—I have practically no doubt about it, and I give this as my reason. You take the Australian butter that comes over now, 500 tons in a ship at a time; it is as fresh as the day it was put in.

Frozen chambers for butter and milk.

32,056. Of course we rather contend that the Australian butter is not so good as the butter nearer home?—No, it is not so good perhaps in itself, but it is as fresh as on the day when it was put on board the steamer.

32,057. Why is it not so good?—I take it that it is in Australia the same as it is here, where one district differs from another.

32,058. I quite agree; but in the same way if you chill your butter or keep it in a cool chamber, would it be as good as fresh butter?—I believe that butter which has been in a frozen chamber is better because it is firmer. But my contention is that frozen fresh butter or chilled fresh butter would be a great deal better than salted butter, my suggestion being that in the summer time you would make your butter when butter is low, say 10*d.* a pound, and sell it out in the winter at 1*s.* 2*d.* or 1*s.* 1*d.*

32,059. Then you say butter could be chilled, and as chilled milk keeps fresh for treble the period of ordinary milk, do you anticipate that that chilled milk should be sent to the market in chilled cans, or in cans that would keep it chilled?—No. I do not like to mention the name of the establishment I have in my mind, but I know that it supplies London with milk. It is perhaps 100 miles from London, and I know that its milk now is chilled before it comes up because the management found it saved them from all loss in the way of having the milk sent back as bad.

Frozen chambers for beef and mutton.

32,060. You said that cattle and sheep now fattened for Christmas could be kept from the end of the summer; do you think that such beef and mutton as was killed, say, in September would be equal to that killed in December for the Christmas dinner?—I have no hesitation in saying that, as regards mutton—mutton anyhow is as good and I should say better—but as regards beef we know that beef will not stand being frozen, and therefore you can only chill it, and I do not think it would be quite so good. My suggestion is that the coarser sorts of beef, take bull beef and that sort of beef which is now very often kept on at great expense in stalls till Christmas, might very easily be killed by perhaps the end of October when perhaps there is no longer any grass in the pastures, and kept in that way at very great saving.

32,061. Do you anticipate at all what the cost would be of keeping this beef; would it not require very large chambers?—We know that what they charge is a farthing per pound per month, as I have said before. That gives a handsome profit, and it gives a handsome profit in the City of London where the rent for the space is something enormous, and where in addition to that the charge for water is so very high. They use an immense quantity of water in the process.

Establishment of frozen chambers.

32,062. (*Mr. Long.*) With reference to these freezing chambers, how do you propose that they should be paid for—who is to establish them?—I propose that the farmers themselves or whoever stored the produce should pay for the storage of it.

32,063. I mean who is to find the money for erecting them in the first instance?—I suggested that in the first instance the Government should give us an experimental one or two.

32,064. That I know, but this is a totally different thing, I am talking of the establishment of these freezing chambers all over the country?—I think the moment those were found to be profitable you would find that private enterprise would do the rest, especially as from my information you could put a very fair sized one up for 3,000*l.* or 4,000*l.* I do not think there would be a difficulty if it was known to be a profitable thing to get it done in many parts of England. I should like to see corporations given the powers (perhaps they have now) to do it. It would bring business into their

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towns, and they might use the same machinery for the electric lighting. It would be a great advantage to the people in the town because they could buy a whole sheep or get a whole sheep and simply store it there, and take it out as they wanted it.

32,065. But as a matter of fact they have them now in many of our large towns, have they not?—Yes, in the North of England, but it is not done with the view of helping the farmers. It is more for commercial purposes in order to keep the frozen meat.

32,066. But it has the same effect if it freezes the meat and keeps it?—Yes, only it is nearly all foreign meat. It is in great towns where foreign meat comes in in great quantities.

32,067. What you desire is that home-grown meat should be frozen in the same way that foreign meat now is?—Yes, I think we ought to have the same advantages as these foreigners have.

Inclusion of rates in tithe commutation.

32,068. With regard to this question of tithe, do I understand you to desire a reconsideration of the whole question of tithe with a view to its re-valuation?—No, because as I understand it the Tithe Commutation Act for one reason was passed to enable landlords to lay money out on their estates without giving a tenth of it to the clergy, and millions have been laid out since the Tithe Commutation Act under that. What I do say is that as they passed a Tithe Act in 1891 in order to carry out what they said was the intention of the Act, that the tithe owner should get his tithe paid direct, so they ought to alter the Act and let him only have the same net value as he was intended to have under the Act, not this gain by those great additions for rates that were made.

Tithe Act of 1891.

32,069. Have many people taken advantage of that section in the Act of 1891?—They find it so very difficult to put it into force. I have just now got a case from Essex which we are trying to put through. As you know, the clause was to this effect: that the tithe is not to exceed two-thirds of the annual value according to Schedule B. of the income tax, but before the tithe payer can get relief he has to produce a certificate from the surveyor of taxes to state what his Schedule B. assessment was. In this particular case the farmer has got the whole of his Schedule A. and Schedule B. assessment swept off. He made nothing, and he has had to pay no Schedule A. and no Schedule B. for the income tax. But when he applied to the surveyor of taxes for a certificate the surveyor of taxes said, "No, "I shall not give you a certificate; the only certificate "we give is where a man has paid his assessment, and "has had it remitted." So that because this man did not pay at first and then have it remitted, he cannot get this certificate, and the consequence is that he will have to pay his tithe unless the Chancellor of the Exchequer will order him to have a certificate given him.

32,070. That largely originates in the process of the Exchequer in insisting upon payment being made and remission granted afterwards instead of allowing a man to avoid payment in the first instance?—I suppose that is so excepting that they did allow this man to avoid payment in the first instance. He did what I do ——

32,071. Yes, but as I understand it they do not issue a certificate except where payment is made and remission granted afterwards?—That is what this man said, and I am disputing that fact. I have written to Sir William Harcourt and he is going to look into it, so he told me yesterday.

Redemption of tithe.

32,072. Have you considered at all the question of the redemption of tithe?—Yes. I have to a certain extent, but the point which I wished to make before the Tithe Commission was that it would be unfair to ask us to redeem the tithe as long as it is calculated upon this additional rate basis, because in many instances it is 40 per cent. and 50 per cent. too much.

32,073. Do you think, putting that point on one side for a moment, that it would be advantageous to the tithe payers if it were made possible to redeem the tithe upon a payment to be spread over a considerable period of years, say, 50 years?—Yes, and even if repayment was not compelled at all, if they were lent money by the Government and paid a low interest.

32,074. For the purposes of redemption?—Yes, of course for that only.

His own farm.

32,075. You told us something about a 500-acre farm just now that you have got in your own hands; is that all one class of land or is it what we call a mixed farm?—It is grass and arable and down. It is an ordinary sheep farm, but rather better land than most of the sheep farms in the neighbourhood.

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32,076. Is the meadow water-meadow?—No, there is no water-meadow in that farm.

Difficulty in letting farms.

32,077. As a general rule do you find that there is a difficulty in letting mixed farms of 300 to 500 acres in Dorsetshire?—So very much depends upon the locality. In my own neighbourhood they are for the most part 500 to 1,000-acre sheep farms where a dairy can be run. A neighbouring farm to my property, a 1,500-acre farm, is one of the best sheep farms in Dorsetshire; it was let about seven years ago for 1,200*l.* a year and now it is let for 700*l.*

32,078. It was let seven years ago?—Yes, or less than that.

32,079. As a rule are the farms which are composed mainly of down and sheep walk falling very much in value in Dorsetshire?—Very much indeed.

32,080. I suppose we may take it that there is a considerable difficulty in letting farms of that character at any rent?—Yes, at this moment I have got a 700-acre farm, it is beautifully laid out in every way with excellent buildings—buildings that must have cost 5,000*l.* at the least—but I cannot let it; no man has offered me 6*d.* for it.

Sale of down land.

32,081. Have you tried or have you contemplated selling any land of that character at all?—No, I have not.

32,082. Have you any idea whether there is any market at all for land in smaller quantities?—I know a farm that was bought in my neighbourhood some 12 or 13 years ago for 14,000*l.*, and I know that that land was sold for something like 4,000*l.* within the last three years. It is land of a very ordinary character.

32,083. Would you be prepared to say whether there is or is not a market for land of the class that we are now talking about—down and sheep farm?—I should say there was no market.

32,084. No market at all?—None at all.

32,085. Would you say it is not a question of price only, but it is an absolute fact that there is no market?—I think I know of farms that I could show you which you could not sell, I think so.

32,086. Does that arise simply from the character of the land, or do you attribute it in any way to the possible liability of a purchaser to buy out the sitting tenant and find the capital for stocking the land himself?—I think that is the difficulty. A man will not buy a farm unless he wants to farm himself, because he knows that he will get no tenant and he will have to farm it in a few years himself, which generally means for a landowner loss.

32,087. To buy out the sitting tenant and to take over the land would in all probability involve an outlay two or three times the amount of the capital value of the land in the first instance?—On poor farms I should think quite twice.

32,088. On these sheep farms?—Yes, I should think so.

32,089. That is a prospect which a man with money does not contemplate with satisfaction?—I think not.

32,090. And therefore he is not tempted to buy?—No.

Advantage of frozen chambers.

32,091. (*Mr. Little.*) I think you advocate these chilling rooms with a view to preventing a glut in the market at certain seasons?—Yes.

32,092. A few thousand sheep too many in London reduces the price very considerably to the producer, does it not?—I have no doubt it does.

32,093. Without much benefit to the consumer?—I should think without any benefit to the consumer.

32,094. Your idea is that at a time of drought, when farmers have to part with their sheep or their cattle at a ruinous price, they might be able to hold their meat over till the prices had equalised themselves?—Yes.

32,095. You think by way of experiment the Government might start some of these freezing chambers, and if they were found to answer you think private enterprise would follow it up?—I think there is no doubt of that.

Tithe Act of 1891.

32,096. With regard to the remission of tithe, and the section that Mr. Long asked you about, I think that the applicant has to obtain a certificate from the

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Commissioners of Taxes as to the amount assessed under Schedule B.?—Yes.

32,097. That assessment is not altered when a remission of the taxes is made, is it?—That is the point in dispute. I venture to say that, if a man pays so much, that must be the amount at which he is assessed; otherwise they would make him pay more.

32,098. But is it not the fact that the books are kept in the same state whether a remission is made or not, and that the assessment remains at the same figure?—That I cannot tell you, but if that is so—that is the point in dispute—I say they should keep their books differently. I might mention that the Tithe Act says the remission is to be made according to the annual value of the land for the twelve months preceding the application for the tithe, but if these assessments are made the same, year after year, with no reference to the preceding twelve months, it is impossible for anybody to get a reduction in their tithe.

32,099. Is it not a matter of fact that when land pays no income tax at all it remains on the assessment?—That I am unable to answer you.

32,100. It is a technical term used in the Act, and if the assessment remains the Commissioners are bound by that expression?—I am unable to answer you; I am trying to find out that point; I have no doubt that is right.

32,101. Upon the same subject, do you think that having to apply every year for a remission is a satisfactory arrangement?—No, I do not think it is at all.

32,102. Would it not be a good thing if the tithe owner and the tithe payer were permitted to enter into a binding bargain for a series of years in such cases?—I should think it would be very advisable if they could enter into such a bargain.

32,103. I suppose the tithe owner looks at it in this light: If this farm is not let I get no tithes; if it is let for the present value I get two-thirds of the whole sum; but that is not a sufficient inducement to the landowner to let, and supposing we can agree that for seven years we will divide the rent, the landlord taking one half and the tithe owner one half, such a bargain might help towards letting the land?—Of course it might.

32,104. But it could not be made at the present time by a clerical tithe owner as a valid and lasting bargain, because he can only bargain for his lifetime, or his holding?—Yes.

Inclusion of rates in tithe commutation.

32,105. Then with regard to the addition made to the tithes for rates; those additions were only made in certain cases, were they?—As far as I can see, they were made in all cases where the tithe payer had hitherto paid the rates.

32,106. Where the landowner had paid the rates, then an estimate of the probable amount of rates was based upon the past amount?—That is so.

32,107. Just in the same way as the probable value of the tithe was based upon the past value?—Just so.

32,108. And that in many cases added a very large sum as you have shown?—Yes.

32,109. Those are sums stated in returns made to the House by the Tithe Commissioners from time to time?—Yes.

32,110. Of course there are other cases where the sum allowed for rates has been exceeded?—There may be.

32,111. There probably would be, would there not?—I should doubt it. I cannot say of course, but I should doubt it, and if they were it would be in the neighbourhood of towns where they get perhaps corresponding advantages.

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32,112. But it was part of the bargain, was it not, which was made between the tithe owner and the tithe payer?—And for my part as tithe payer I was quite ready to stick to the bargain, but they reopened the question, and altered the bargain in 1891, and I contend that, if they altered it in the interests of the tithe owner, we have a right to have it altered where we can show that we have been injured.

32,113. You base your claim for an alteration entirely upon the legislation of 1891?—I do, and of course upon the injustice of the present state of things.

32,114. (*Mr. Gilmour.*) Do you advocate these freezing chambers for the benefit of the individual farmer in a district?—Yes, and also for the benefit of the consumer in the district.

Advantage of frozen chambers.

32,115. Looking at it from the point of view of benefit to the farmer, that would turn the farmer more or less into a speculator, would it not?—No, because I think you would find speculators and dealers would probably buy the farmers' sheep as they do now, and kill them and put them there, only at a better price.

32,116. Then it would not help an individual farmer or agriculturist?—Yes. Take last year, for instance; there were farmers in our country who had beautiful lambs, which would be worth this year 40*s.* apiece; last year, owing to the turnip crop, and the keep being very short, they had to sell those lambs at something like 26*s.* or 24*s.*—in some cases a great deal less. That was because there were no means of keeping them. The dealers, therefore, would give them a very low price. But if they could have slaughtered them, and put them into these freezing chambers, they would have given the farmers great deal better prices. If it had not been a dealer it would have been a wholesale butcher, or somebody who would have done it; it would not have been only the farmer who would speculate.

32,117. The fact would remain that these dealers or speculators certainly would try to buy at the very lowest possible prices when lambs or anything else were over plenty?—As they do now. But it is not a question so much of the plentifulness of lambs as the scarcity of keep for keeping them in the winter. That is what mostly regulates the price of sheep in our part of the country.

32,118. Still at the same time, as far as I understand you, it comes to be more a matter of the middleman's work than of the individual farmer getting a benefit?—No.

32,119. Except in that difference of price that a man might give with a knowledge that he could preserve that meat for a certain time?—Yes; at present all that the farmer gets is what these middlemen will give, what they must give. There will be a greater demand for lambs when food is scarce than there is now if they know they can put them into these freezing chambers.

32,120. Have you had any experience of farmers in your country speculating in other things that they produce which do not require refrigerating, such as wool and grain, and matters of that kind?—I have known instances of farmers who held their wool when it was 2*s.* a pound, and sold it 7*d.* afterwards; but I do not call that exactly speculating—it is stupidity.

32,121. That rather points to the fact that the farmer does better, taking the run of years, to realise his produce at the market price rather than to speculate?—I believe that is always the case.

The witness withdrew.

Mr. J. S. Forster.

Mr. John S. Forster called and examined.

Mr. J. S. Forster.

His own farm.

32,122. (*Viscount Cobham.*) I believe you farm something over 2,000 acres?—I think it is 1,920 properly.

32,123. Of which 246 are your own property?—Yes. I also farm 1,500 acres for a brother of mine.

32,124. In what part of Northumberland?—I farm over different parts of the country—in north Northumberland mostly.

32,125. Are they mixed farms or sheep farms?—All sorts.

32,126. How much sheep run have you?—Perhaps about half of the 1,920 acres is grass and sheep run.

Appreciation of gold.

32,127. To what do you attribute the long continued depression in agriculture?—To the appreciation of gold.

32,128. In what way has that operated?—As gold has become less plentiful in proportion to the needs which we have of it since 1870, and as everything is measured by gold in this country, it stands to reason

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that everything has become cheaper. There is more produced in proportion to the amount of gold that used to be here.

32,129. How do you regard the present glut of gold in the banks?—In this way: Suppose I can see my way to feed 100 sheep which at present prices would pay me 6 per cent. for their keep, but I have not the money to buy them, then I borrow the money from the bank at 5 per cent. At the end of the year I find that prices have fallen 2 per cent.; the result is that instead of getting 100*l.* for the sheep, plus the cost of keep, and 6 per cent. profit, I only get 98*l.* for the sheep plus those things. Thus instead of making a profit of 1 per cent. I make a loss of 1 per cent. instead. Result: next year I do not borrow the money and the 100*l.* remains at the bank. Again, I can make iron, which it would pay me to borrow money at the present prices of iron to make. After making it I find that all my calculations are upset by the falling of prices and that I have been working at a loss. Result: I do not borrow the money and it remains at the bank. Again, a farm is to let which at present prices would pay me to borrow 5,000*l.* to take. I borrow it, and next year the farm is worth 50*l.* a year less than the rent I have given for it. Result: when another farm comes into the market I do not borrow the money to take it and it accumulates at the bank.

32,130. You mean the gold has accumulated in the bank owing to the sense of insecurity throughout the country?—Yes.

32,131. (*Mr. Everett.*) And the unprofitableness of industry?—Yes.

32,132. (*Viscount Cobham.*) Do you attribute the fall of prices wholly to the appreciation of gold?—Almost entirely.

32,133. (*Mr. Giffen.*) What do you mean by the appreciation of gold; because it has been explained here that that is only a name for the fall in prices?—Because it has become more valuable in proportion to the amount of produce.

32,134. That is not a cause; that is the same fact?—The production of gold has not increased—you may put it in that way—in proportion to the increase of the produce, and that causes its appreciation.

Increased production and facilities of transit.

32,135. (*Viscount Cobham.*) You attach but small importance to the increased production throughout the world and the facilities for transit?—Everything is consumed: there is no over-production, only there is no money to pay a good price for it.

32,136. But the facilities for bringing produce here are much greater?—We would have starved here but for those things.

Progressive fall in prices.

32,137. You say in your brief that farmers have been suffering not so much from low prices as from falling ones?—Because we cannot get a basis of operations. No sooner do we take a farm than we find it has become too dear.

32,138. Then do you think that if prices would only become steady, even at their present level, farmers might adapt themselves to the changed conditions?—It is merely a question of rent. So long as the production pays more than the cost of production, minus the rent.

32,139. At present prices there is a good deal of land, we are told, that is unable to produce enough to repay the cost of production?—Not in our county—none whatever.

32,140. And you do not speak for any other part of England?—I can speak for the whole county in that respect.

Rating on improvements.

32,141. Do you consider that improvements such as draining should be rated?—No; I think that is very hard lines. Two men have each a thousand pounds; one puts his thousand pounds into the funds and he is not rated on it; the other improves the country, and he is a benefactor to the country because he makes two blades of grass grow where only one grew before, yet he is at once rated on his expenditure; that is very unjust.

32,142. How would you correct that anomaly?—That is a difficulty I cannot solve; but it is certainly an injustice.

32,143. Are tenants rated in a similar manner and with equal injustice upon their outlay?—They are very often rated unjustly in this way: they have had notice, for instance, to make a new burial ground, or to bring water to a village, or to sewer a village. Of course you cannot do that out of the rates directly, so you borrow the money from the Government, to be paid off in so many years. The ratepayers have got to pay that money, both capital and interest, in so many years. That comes hard on them, I consider, because it is a permanent improvement for the landlord after so many years.

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32,144. Should you say the tenant should pay any part of it?—Yes; they get some benefit. I think they should pay part of it.

Division of rates between landlord and tenant.

32,145. Do you think that grievance would be mitigated to some extent by the rates being divided between the landowner and the tenant?—I think that would be more just.

32,146. Do you think that would fairly well meet that difficulty?—Yes, I think that would meet that difficulty.

Railway rates on agricultural produce.

32,147. Have you an opinion as to the rates charged by railway companies for agricultural produce?—That comes to be a question of through rates which I do not understand very much about.

32,148. You regard it entirely from the point of view of an agriculturist, and I suppose you have not considered it from the railway company's side?—I do not think we can alter them very much.

Cost of production.

32,149. What has been your experience as to the cost of production on your farm since 1875?—The cost of production, I think, has decreased 12 per cent., but I can give you the figures for the whole calculations if you wish. I gave them to Mr. Wilson Fox some time ago and they appear in his return.

32,150. You say generally that you have found that the cost of production has decreased?—I think there is 10 per cent. off labour bills, 25 per cent. off manure, and 20 per cent. off foods.

Cost and quality of labour.

32,151. We have had witnesses from Northumberland who have given rather contrary evidence on that point; they have stated that the cost of production has not decreased and that the cost of labour has increased; I think you are against them on both those points?—They are probably thinking about recent years. The price of labour has had a slight tendency to rise, but from 1874 and 1875, which I take to be the basis, it has decreased 10 per cent. on arable farms. Hill farms are not much affected because they pay most in kind.

32,152. When was the increase chiefly?—The original increase took place about 1870. Wages got up to the highest point about 1875.

32,153. Would you say that since 1875 labour is cheaper by about 10 per cent.?—Yes, it is now.

32,154. And the quality is still as good as before?—Quite as good; it is very good indeed.

32,155. Does that apply to both men and women?—Most excellent labour; you cannot desire better.

32,156. Do you get as much women's labour as you did?—I think so.

32,157. We hear something about the deterioration of the diet of the Northumberland labourer affecting his physique; do you agree with that?—I cannot notice it much myself, although I can notice it in the middle classes more than in the hinds.

Local rates.

32,158. Have your rates increased since the last 20 years?—Not to any appreciable extent, but of course it takes more produce to pay them; one third more.

Fall in rents.

32,159. How much has the fall in rents been recently?—I should think, taking all round the county, approaching from 25 to 30 per cent.; 25 per cent probably. I can give you it for my own farms if you wish.

32,160. Generally would you say it is about 25 per cent.?—Yes.

32,161. But in your own case is it different?—In my own case it has been 40 per cent.

32,162. Has that taken place since 1879 or in more recent years?—It has taken place since 1879.

32,163. Beginning then?—Yes, about then.

32,164. Were farmers making money in Northumberland before that period?—They were making money before 1875 or 1876, but after that they made very little. In one large farm I have I looked up the books the other day, and I find that I have made for the last 13 years 2*l.* 6*s.* 8*d.* per cent. on my capital.

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32,165. Do you think the fall in rents in Northumberland has generally been sufficient to meet the situation?—No, it would take on an arable mixed farm 60 per cent. to meet the difficulty.

Agricultural Holdings Act.

32,166. What have you to say as to the working of the Agricultural Holdings Act?—It is too uncertain in its results. So much depends on the man who is appointed as thirds-man, and the decisions are very contradictory. At present it is too uncertain. There is a great difficulty in appointing this thirds-man. You see, nearly always a land agent is appointed because the landlord will never agree to a mutual appointment; he always, or nearly always, either refers it or threatens to refer it to the Board of Agriculture, who appoint this thirds-man. Now they have got mostly, I believe, lists of men who are land agents, and whose living depends on the landlords. We know many of them to be very much opposed to the Agricultural Holdings Act, and we are so afraid of getting hold of a man of that description that we have to agree always to take the most unobjectionable man of these others rather than to apply to the Board of Agriculture and run the risk of getting one of these very low valuers appointed.

Appointment of official valuers.

32,167. Have you many competent land valuers who are not land agents?—We have no what you call land valuers in our country.

32,168. How do you mean; are they all land agents?—They are all land agents. It is a class of people in the south of England which does not exist in the north.

32,169. How would you remedy this grievance; what can the Board of Agriculture do?—I believe the best plan would be for a person to be appointed to act in all cases through the county, an impartial person. In that case farmers would know when they were investing their money in improvements what they had to expect, and would act accordingly. If they saw they were not going to get paid for improvements that they were entitled to, they would not improve the land.

32,170. By whom would he be appointed?—By the county council.

32,171. Would he be one officer who would devote the whole of his time to it?—No, it would not take all his time; it would take very little of it.

32,172. It would take very little of his time for the large county of Northumberland?—Very little; if it once became established, and the people knew what they were likely to get, there would be very little come before him. It is the uncertainty that causes the mischief.

Compensation for unexhausted improvements.

32,173. Have you any complaint to make as to the mode of awarding compensation?—Yes. After the Act came into force people began to make tables of exhaustion. These tables only apply to the last few years, whereas a good farmer puts his farm into condition at first. On a farm I once took I spent 2,000*l.* in the first eight years, and I got 401*l.* for compensation because I had not to spend money afterwards. My land was in condition and remained in condition without much expenditure.

32,174. How would you improve the Act in this respect?—I do not know how I would improve the Act. It is the working of the Act that is most involved; it is the way that the Act has been worked which is worse than the Act itself in that respect.

32,175. Still I suppose you would recommend some specific provisions in the Act to compel a different mode of awarding compensation?—I think the schedules in the Act had partly to do with it. They assume you should be paid for manure and that sort of thing, and so people said, "Manure only lasts so many "years and we can only go so many years back."

32,176. Would you keep the schedules?—Some of them might be altered, but I would not speak exactly to that just now.

Compensation for increased fertility.

32,177. Are you in favour of awarding compensation to an outgoing tenant in respect of the general improved fertility of his farm?—Yes.

32,178. How would you find the means of comparison between the time of his outgoing and his incoming?—That is another very difficult question. In my own case I proved that it was producing one-third more than it produced at first.

32,179. How did you prove it?—We all have what we call waygoing crops in our county; that is to say, you quit on the 12th May; you sow your crop before then, and your successor takes it at a valuation. I proved that the crops that I sold were one-third larger than the crops I bought.

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32,180. That does not necessarily show that the fertility of the farm is one-third improved?—In this case it improved more than one-third because it was a better corn year the year I entered than the year I left.

32,181. Would it be possible to compare the condition of a farm at the beginning and the end of a tenancy without the farm being inspected at both periods?—It would be very difficult to do; that would be very difficult to work.

32,182. Are you in favour of the inspection when the tenant comes in?—I do not know how that would work; I know some people are in favour of it.

32,183. But you see objections?—We would have no faith in a man making a proper inspection in the first place.

32,184. Would you consider that the tenants do not receive full justice under the present mode of awarding compensation?—I do not think they do.

32,185. Do you think that any get more than they ought to get under it?—I have never known any.

Compensation for laying down permanent pasture.

32,186-7. Do you consider that in regard to laying down to permanent pasture the Act is not sufficiently explicit?—It is not sufficiently explicit because the man who goes to the real expense is the man who lets it lie. It may not have cost the original man 10*s.* an acre to sow the seeds.

32,188. The man who lets it lie is generally the man who sows the seeds?—The difficulty is to know who is to get the payment for it.

32,189. You mean that one tenant sows the seeds and another tenant takes on the farm and has to allow the land to lie idle to some extent?—That is the difficulty.

32,190. When he takes the farm does he not take it at a reduced rent in consideration of these fields being not fully available?—He takes it at its market value then.

32,191. At its then market value?—Yes; but then you see it is a considerable loss to him to let it remain, and it is a considerable benefit to the landlord to get old grass at the end of the lease.

32,192. Would that not be considered at the fixing of the rent?—I do not think it would much.

32,193. Is that because there is much competition for farms in Northumberland?—Yes; farms are not vacant in Northumberland; there are none that are, unless it is very exceptional.

32,194. Farmers in their eagerness to get farms do not sufficiently consider their own interest, is that it?—It has been the case, I am sorry to say.

32,195. Do you think they should be protected by legislation?—No, I do not believe in grandmotherly legislation.

Law of distress.

32,196. Are you against the continuance of the law of distraint?—Certainly.

32,197. I think that the reasons you have for that are mostly those that have been very fully put before us, and I need hardly go over the ground again. You think that the effect of abolishing the law of distraint would be that tenants in possession of more capital would be able to get into farms?—Yes.

32,198. Would not the result of that be that in many parts of England farms would be left vacant?—It would not be the case in my county, and I can only speak for it.

32,199. Is there a strong feeling against the law in Northumberland?—Yes, there is amongst the thinking members of the community.

Marking of foreign meat.

32,200. Do you think that any steps should be taken by Parliament to provide against the sale of foreign meat as British meat?—Yes, I think it is very unjust to the producer that this meat should be sold as British meat.

32,201. What steps should you recommend?—I should recommend that butchers should take out licenses, and that they should notify the fact above their shops, and on their carts, and all the appliances they have. That is one thing that should be done; next, the foreign meat should be marked as such.

32,202. How would you mark the small joints?—I understand they do succeed in doing it in Belgium.

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32,203. You think that if possible, at all events, foreign meat should be marked?—Certainly.

32,204. If not, you think that compelling butchers to notify the fact of their selling foreign meat above their shops and on their carts would to some extent be a remedy?—I think that would go a very great deal towards effecting the result.

Branding of foreign cattle.

32,205. Should store cattle from abroad be branded?—Yes, they should be branded and considered as foreign cattle for at least two months after they come here. I do not see any other way of preventing swindling than that.

32,206. Has the Ground Game Act worked beneficially in Northumberland?—Yes.

Ground Game Act.

32,207. Have you any recommendations to make with regard to it?—No, we have never suffered much from game in our country.

Co-operation in Northumberland.

32,208. Is co-operation largely practised in Northumberland?—It is practised to a considerable extent for buying foods and manures, and that sort of thing, but not in selling.

32,209. Do you think that distributive co-operation would produce good results?—I do not think we could improve the present systems.

Restrictions on cultivation.

32,210. Are you under any restrictions upon your cultivation?—Yes, on one farm I am. I must not take two white crops running, and if I sell hay and straw I must apply manure to the land in addition to the ordinary manure that I would apply.

32,211. Do you find the restrictions fetter you in your system of farming to any considerable extent?—Not to any considerable extent, because I am sure I could get leave to do what I wanted to do, if I wanted to do anything.

32,212. Do you think they are reasonable in themselves?—No, they are very often unreasonable; but you see landlords are bound to protect themselves, and every case is different. You can injure light land much more easily than you can injure strong land by many breaches of covenants. Therefore it is so difficult to say what is the proper penalty. I was going to suggest that this same man that was to act as thirds-man in arbitrations for compensation might be appointed also to decide what damage would be done by this alteration in the cropping, or anything of that kind, and to assess that damage.

Appointment of valuers.

32,213–4. (*Mr. Chaplin.*) You said that once an arbitrator was appointed he would have very little to do; are not valuers employed on all changes of farms in Northumberland?—No, we have not that class of valuers; what you call valuers in the south do not exist in our country.

32,215. There is nothing of that sort on a change of farm then with you?—No.

32,216. How is the valuation settled?—I appoint a friend, and another person appoints a friend; that is the ordinary way.

32,217. Then they are friends who do the duty of valuers?—Yes, but there is not much valuation really. There is not much old tenant right in our county that is involved in the valuing; and there is no valuing scarcely, except how much is the depreciation of hedges or something of that kind.

32,218. There is very little, you say, of what we should call tenant right in some other counties?—It scarcely existed in our county before the Act.

Compensation for increased fertility.

32,219. You told us that on one occasion you had spent 2,000*l.* quite early in your tenancy?—Yes.

32,220. And then only got 400*l.* as compensation when you left?—Yes.

32,221. How many years had you had the enjoyment of that increased expenditure?—I had it for eight years. I had a 16 years' lease.

32,222. Then for eight years you had gone without spending much on it; is that what you mean?—I spent just enough to keep it up to its full style of fertility. The land was growing as much as it could grow, and if I had used more manure the crops would have gone down.

32,223. You practically, I suppose, got a good deal of compensation out of the increased fertility of the land while you had it?—If prices had continued as they were it would have paid me. As it was I lost this 2,000*l.*, all but the 400*l.*

32,224. That was owing to the fall in prices?—Yes.

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32,225. At steady prices you say you would still be able to continue farming to advantage in Northumberland, and what you chiefly complain of is what you call, I think, a progressive fall in prices?—Yes, that is what does it.

Progressive fall in prices due to appreciation of gold.

32,226. That is your great difficulty?—That is our great difficulty.

32,227. That you attribute to the steady appreciation of gold?—Yes.

32,228. The remedy which I observe, according to your brief, you propose is to encourage the production of gold as much as possible?—Yes.

32,229. How do you propose to do that?—It is very difficult to do it. The only case we have is Wales, where a man a few years ago proposed to extract gold, and where I believe it can be at present mined to advantage if you take away the Government royalty. That was what stopped it as far as I remember.

32,230. I think that was so, as far as I remember; but where else do you propose to apply that?—It is very difficult to tell.

32,231. What you mean, rather, is that an increased production of gold would in your opinion be a remedy to a certain extent for the fall in prices; is that not it?—It would be a total remedy.

32,232. But you have no actual plan to propose for encouraging the production of gold?—No.

Production and consumption.

32,233. (*Mr. Whitehead.*) I think you said that you considered that everything produced was consumed?—Yes.

32,234. Would that apply to wheat?—Yes; that is not consumed by men only, but by animals as well: it is all consumed.

32,235. There is no waste: everything that is produced is consumed?—Yes.

32,236. Everything that is produced by the farmer?—Yes.

32,237. It is not the great amount of produce, or rather over-production, that causes low prices, but the appreciation of gold, I think you say?—Yes.

Effect of demand and supply on prices.

32,238. Do you not think that the question of demand and supply has something to do with prices?—The question of demand and supply has often a temporary effect on prices, but they always right themselves, and I have no doubt they would have righted themselves during the last 24 years.

32,239. Do you consider they will right themselves in the future?—Yes.

32,240. Independently of any increase of production from land that may be newly cultivated, as, for instance, in Africa?—What I mean is this, that the price of gold will equalise itself to the price of produce by-and-by, so that we shall have ultimately no further fall in prices.

Effect of appreciation of gold on prices.

32,241. Then it is not at all a question of supply and demand, but simply a question of the appreciation of gold that affects prices?—At present, and so far, yes.

Effect of increased imports on prices.

32,242. And all these enormous importations of corn from America and Australia, the Argentine Republic, India, and other countries, have really very little to do with the low prices which have been experienced lately by agriculturists?—They may have had a little effect, but not the principal effect. We could not have done without them.

32,243. You could not define exactly the proportion of the effect, I presume?—I could not define that.

32,244. Do you consider that everything will be consumed, no matter how much is produced?—I cannot speak for the future, but I can speak of the past.

Condition of farmers in Northumberland.

32,245. I think you said that there are no farms to let in your district?—There are practically none.

32,246. Are farmers doing fairly well?—No, they are not; they are doing fairly badly.

32,247. We heard yesterday from another part of Northumberland that farmers were doing fairly well, comparatively speaking?—They are doing much better than they were a few years ago, because rents have been reduced.

32,248. That statement would not apply to your part of Northumberland?—No. They are making a very small interest on their capital.

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32,249. Your part is the northern part of Northumberland, is it not?—Yes, but I know about it all.

Effect on prices of the appreciation of gold and increased facilities of transport and communication.

32,250. (*Mr. Giffen.*) Am I to understand from what you say in your brief that the fall of prices is not caused mainly by increased production and facilities of transit, but much more by the appreciation of gold; in other words, that prices would have been as low as they are now, supposing the improvement in the facilities of transit which was in progress 20 years ago had come to an end at that time?—That is to say, supposing the productions of food in this county had decreased, do you mean?

32,251. No. Suppose, instead of the lowering of freights and the opening out of new countries, and the improvement in the facilities of communication generally, going on from 1873, that it had come to an end in 1873, and things had stood still at that point, would prices have been as low as they are now?—No, they would not.

32,252. Prices would not have been so low as they are now?—They would not have been so low.

32,253. So that the present state of prices arises in your opinion from the improvement in the facilities of communication and causes of that kind, as well as from other causes?—That has had a slight effect; the facilities of communication and extra production in other parts of the world have all an effect no doubt.

32,254. Is it not the case rather that the two things co-operate? Do not the improvement in the facilities of communication on the one side, and the contraction of the precious metals on the other side, co-operate towards the same result?—Yes.

32,255. That is to say, a fall of prices?—Yes.

32,256. And you have no means of distinguishing how much is to be attributed to the one cause, and how much to the other?—No, you have no means of distinguishing.

32,257. And there are no means of distinguishing?—You can prove that the production of gold has been decreasing, and that the production of other produce has been increasing. You can then distinguish that there has been a large amount due to the non-production of gold.

32,258. Would it not be the proper way to put it that by comparison with some previous period, when the production of gold was rather increasing, and when prices remained stationary in spite of a continuous improvement in facilities of communication—that by comparison with such a period you ascribe the variation in prices now to what has happened in gold rather than to the other side?—I think that the gold is the chief factor in the business.

32,259. But that is by comparison with some previous state of things?—Yes; when we were getting more gold, we found prices going up.

32,260. In order to make a comparison which will be of any value at all, you have got to make a comparison with some previous state of things of some kind, and to describe what the previous state of things was?—Yes. By that last answer I mean we can take a period of years prior to the fall of prices, when we know that gold was being found in increasing quantities; and we can compare it with what has happened since 1870, when we know that gold has been found in decreasing quantities.

32,261. There is a difference between the two periods in that respect?—There is a difference.

32,262. You would not have had the same difference between the two periods, if you compared them with respect to the continous improvement in invention and in facilities of communication—that is a constant cause which has been going on for very many years?—Yes, and I think consumption has been keeping pace with that.

32,263. That is the sense in which you speak of the production of gold being the cause of the fall of prices; and you do not mean to imply that the improvement in the facilities of communication, and the opening out of new countries have had nothing to do with it?—If these had not gone on as you say, we should have had things dearer than they are at present; that is all.

32,264. (*Mr. Clay.*) Regarding north Northumberland you complain about the valuations being very unequal when they come to assess the compensation for improvements?—They are very unequal; we do not know where we are in claiming compensation.

32,265. Have there been no arbitrations to fix the rent between the landlord and the tenant; is it never left to arbitration to fix the rent?—Never.

32,266. Then are the rents fixed between the landlords and the tenants themselves?—Yes.

32,267. I suppose the kind of land has a good deal to do with it?—Entirely.

Appointment of official valuers under Agricultural Holdings Act.

32,268. What would you propose to put in place of the existing machinery, in order to bring people together and to compensate them for the increased fertility of the soil or for their improvements?—The man I propose should be appointed by the county council, and it would be his duty to act in all cases arising in the county.

32,269. How many men would you have named in Northumberland for doing such a big county?—You could get several who would do it quite well. It is not nice to mention names, but you could do it very well yourself.

32,270. I am not referring to the individuals—I am referring to the number of official referees that you would propose to appoint in Northumberland?—There are three or four that I know of, but I will not mention names—and there are some we are very much afraid of getting.

32,271. I do not want you to mention names. How many people would be required in the different districts in the county?—One man would do the whole of the county of Northumberland quite easily.

32,272. Would you not require to have men in the different districts dealing with questions arising in their own locality?—We could not pay a man very highly for each case, besides that would involve the appointment of several men and very likely you would not be able to get a sufficient number of good men. I think if you had one good man appointed he would very soon make himself acquainted thoroughly with all the parts of the county and their variations.

Remuneration of valuers.

32,273. I suppose the remuneration of these men would be based upon the number of days they were employed?—I suppose so, but I have not thought that matter out.

Compensation for improvements and increased fertility.

32,274. According to your evidence, what you go in for greatly is that you would like to see compensation given not only for the last two or three years, but for the general improvement of the farm and for the increased fertility of the soil?—Yes. I think that is about the first sentence in the Agricultural Holdings Act, and that is what I want carried out.

32,275. So that it comes to this, that if there were a good sound basis on which to assess to remaining value, capital would more freely be brought into the land?—Certainly it would.

32,276. But just now people are rather afraid even to approach the Agricultural Holdings Act for fear of the expensive law process which has to be gone through?—Yes, it costs you very often as a rule for expenses about half what you get.

Compensation for laying land down to grass.

32,277. You would like to see a person compensated fully for laying down old grass and leaving it?—Yes.

Law of distress.

32,278. I think you said the law of distraint has rather been an interference with the prosperity of the tenant in Northumberland?—Yes; it is an unjust law and should be abolished.

Compensation for home-grown corn consumed.

32,279. (*Mr. Gilmour.*) Have you considered another matter that has been talked about a good deal, namely, the manner in which you could get compensation for home-grown and home-consumed produce?—I have considered it a great deal, but I cannot arrive at any satisfactory conclusion upon the question, because it opens the door to fraud. We must be just to the landlord as well as to the tenant.

32,280. You do not think, then, as a practical man, that it could be fairly and honestly worked out; is that your view?—It could be, but then it would not be, I am afraid, sometimes.

32,281. It would not be sometimes, you say?—Yes.

New systems of farming.

32,282. Are there any new lines that you could recommend to the tenant farmers in your neighbourhood that they might strike out in the present state of matters which might help to improve their position?—Yes.

32,283. I mean any new lines which could be practically put to good trial in your part of the country?—Do you mean general questions like foreign meat?

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32,284. I mean any new lines which could be adopted in your part of the country?—No. A question was asked me about loans; that might be good enough for landlords, but it would ruin the tenants. It is a bad plan to lend a tenant anything as it hangs a weight around his neck that he never recovers from.

32,285. What I meant was, is there any new line that the tenant farmer could profitably take in your district, such as the production of certain other articles which he does not produce now, or farming in a different way than he does at present, which you could suggest and which would help his position monetarily?—That involves the question of small cultivation and of restrictions. Wages are much too high in our country for this petty culture; many people have tried it, but, except in the immediate neighbourhood of Newcastle, and one or two places like that, they cannot make it pay. All the greengrocers of Newcastle go down, as they say, to the boat for produce; it comes across from Holland so quickly and they get it so much more cheaply than it can be grown at home.

32,286. Then your opinion is that they must stick to the same line of agriculture that they are at present following?—Yes. I have had an open lease for very many years, but I find it pays me to go on the old system; that is as good as any I can find.

Breeding of horses.

32,287. Is yours a horse-breeding district?—Yes, we breed a certain number of horses.

32,288. Are they half-bred horses?—All kinds. Our country is celebrated for breeding hunters.

32,289. Has the encouragement given by the Queen's premium stallions been of service?—Not much, I am afraid.

32,290. Not much?—I do not think so myself; I very often find better ones.

32,291. You breed high-class hunters, do you?—We try.

32,292. Can you get a sale for them?—They are very difficult to sell now; formerly they sold much better, but with the bad times somehow or other there is not the same market for hunters that we formerly had.

Purchase of remounts by Government.

32,293. If the Government obtained horses at a younger age for remounts would that help the men who breed half-bred horses?—You must regard Government horses as misfits; they were meant for something else when they were bred, and for something better.

32,294. If they were sold a bit younger that would not be the case, would it?—I calculate that we must have 100*l.* for every four year old that we breed, otherwise we breed at a loss.

32,295. 100*l.*?—Yes; we do them well, you know, and it is no use doing them badly.

32,296. If you gave the Government your raw material at a much younger age you would not require to spend 100*l.* on that colt surely?—They are expensive animals to keep, and if you leave anything undone you get an animal worth only 20*l.* or 30*l.*

Appointment of official valuers under Agricultural Holdings Act.

32,297. (*Mr. Little.*) I understand you to say that the Agricultural Holdings Act fails chiefly from want of confidence in the umpire?—That is so.

32,298. That the Board of Agriculture generally appoint land agents?—Yes, nearly always.

32,299. And that the tenants are afraid of their action?—They are afraid of the action of all in general and of some in particular.

32,300. Do you think that a valuer appointed by the county council would be a more impartial person than an umpire appointed by the Board of Agriculture?—I think he would be. There would be at any rate this great advantage, that his decisions would be consistent, and we should know what we had to expect from him. At present we do not know what we are going to get.

32,301. I thought it was the bias of the land agent that you complained of?—If I knew that I should have to have some of the land agents who might be appointed, I would not trouble myself about the matter, for I would take care not to improve.

32,302. You would know what to expect?—I should know what to expect, and, therefore, I would take care not to improve.

32,303. I thought you said that what you desired was that you should know what to expect. I think you said that one umpire could do the whole work in Northumberland?—Easily. If it was once established how much the people were going to get for certain improvements, in nine cases out of ten there would be no arbitration at all, because the landlord and the tenant would be able to come to an agreement quite easily, and there would be no need to refer.

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32,304. Could one gentleman deal with all the cases that would arise in Northumberland in the year within a reasonable time?—There are not half-a-dozen cases in the year.

32,305. But there must be a great many cases of farms being given up?—Yes, but most of the tenants are so afraid of the expense involved in the business that they dare not go in for arbitration.

32,306. Is there not always a valuation when a farm is given up?—Never.

32,307. Not on certain matters?—Not on compensation matters.

32,308. What about your waygoing crop?—Yes, there.

32,309. You have to have a valuation of the farm crops and such things?—Yes.

32,310. Then would you have an entirely different set of valuers for claims under the Agricultural Holdings Act?—Yes, quite a different set.

32,311. Would it matter whether a man saw a farm within three months or six months of the time when the farm was vacated?—Of course it would be all the better if he saw it at the time.

32,312. Is it not essential for many things to see the farm at or about the time when it is given up?—Yes.

32,313. Many questions in dispute can only be fairly settled at the time when the change of tenancy is made?—That would be so.

32,314. Then would there not be a practical difficulty in one man going over the whole county within a few weeks of your quitting period?—He could do it all in a week.

32,315. That is your opinion?—Yes.

Necessity for improvement.

32,316. (*Mr. Long.*) You have laid a good deal of stress upon this necessity for improving the Agricultural Holdings Act; do you consider that some portion of the agricultural distress has been due to a want of enterprise on the part of the farmers arising from want of confidence?—Not much in our county, and I am only speaking for our own county.

32,317. Would you indicate a way in which the Agricultural Holdings Act might be made a measure for the relief of agricultural distress?—If it were made more simple, of course, there would be encouragement given to expend money towards the end of the lease in order to keep the land in condition.

32,318. I understand you to be speaking of your own neighbourhood?—Yes. I think that question should have been differently answered: I think there has been loss sustained in that way by the want of that confidence.

32,319. There has been loss?—Yes.

32,320. But has the loss been sufficient to deter men who have got the capital from spending it upon their farms?—Yes, in some cases.

32,321. Do you think there would have been an increased production per acre if there had been more confidence?—There would.

32,322. After all would it not have a very limited application—it would only apply to the tenant quitting?—It would apply very much to the tenant entering, if he saw that he was likely to be compensated for the money spent.

32,323. A tenant entering and a tenant quitting is, we hope, a simultaneous proceeding; but I mean it would only occur in the case of a tenant quitting and another tenant entering—either a new tenant or the landowner?—The benefit that the tenant would derive, and that the land would derive, would be at the beginning of a lease, not at the end of it.

32,324. Yes; but the compensation would only come up for settlement when there was either the termination of a lease or the creation of a new tenancy?—Yes.

32,325. Therefore it would only apply in a limited number of cases?—The compensation would only apply?

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Appointment of valuers.

32,326. The improvement in the Act which you suggest, I mean. You said, in answer to Mr. Clay and to Mr. Little, that one valuer could do the whole work in your county in a week?—Yes.

32,327. Clearly there would not be a very large number of cases to come before him?—A number of cases is just what I want to avoid. If we had this one valuer, whose decisions we could depend on, and whose awards we would know beforehand, we should not require to employ him at all as the matter would be arranged between the landlord and the tenant.

32,328. It would be settled between the landlord and the tenant?—Yes.

32,329. And there would be no difference of opinion?—No, because each would know what they could get.

32,330. Because you would get a uniformity of practice which would be well understood?—That is what I want to be at.

32,331. You would avoid, therefore, any difference between the two parties?—Very often you would avoid any difference.

32,332. You therefore really attach more importance to the indirect effect of such an alteration than to the direct effect?—The direct effect would give farmers more confidence all round in improving their land; or if they found this man's awards were very low, they would not improve it, and they would not lose money in that way. It might have a disastrous effect if he were a man who gave very low compensation.

32,333. Of course it might cut both ways?—Yes.

Breeding of hunters.

32,334. With reference to the questions asked you by Mr. Gilmour about horse-breeding, do you think that farmers have found breeding hunters to be on the whole a remunerative proceeding?—No. My father bred them very extensively; more so than anyone else in the county, and prices were very much higher then for hunters than they are now. I have sometimes taken the trouble to calculate the produce of the mares he had, and I never knew one whose produce paid for breeding. The breeding of horses has been a ruinous business.

32,335. When you said just now that it would not pay to take less than 100*l.* for a four year old, you intended, did you not, that the 100*l.* should cover the loss you would sustain by the colts and foals which went wrong, by that produce which went amiss?—No, the 100*l.* got for those sold will not cover the loss sustained by those that go amiss.

32,336. Would you estimate that you are able to sell for a good amount more than one out of three?—No; you cannot sell one out of three now for 100*l.*

32,337. Do you think anything could be done to assist farmers by establishing some sort of agency for the direct sale of horses bred by farmers?—I doubt it very much. Customers as a rule are not judges of horses, and they prefer to pay 50*l.* extra to a dealer for the sake of his judgment.

32,338. Then of course they get the advantage of another horse being chopped with them, if that does not suit, at a little extra money?—Yes. Very few people have sufficient confidence to go straight to the breeder and buy a horse of him.

32,339. If there was some sort of agency established in different parts of the country might that not possibly facilitate the transfer of horses directly from the breeder to the purchaser?—It might help a little.

32,340. It might help?—Yes.

32,341. Something, for instance, under the auspices of the Royal Commission on Horse Breeding?—It might help it a little.

32,342. I think you said that the Queen's premium sires had not been of much value in your part of the world?—No. We have had some middling ones.

32,343. You mean they have not been good enough?—They have not been good enough.

32,344. As a matter of fact there is very little difficulty in getting a sound stallion if you choose to take the trouble to get him, is there?—We can get them nearly sound very often, and we would rather use them if they are better bred and better looking ones, than we would have a horse which has had so many examinations to pass and whose only merit is that he has been able to pass an examination.

32,345. (*Mr. Lambert.*) Do you get a good competition for farms in your neighbourhood?—Yes.

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Competition for farms.

32,346. What would be the most lettable sized farms?—The most lettable sized farms are rather the smaller ones at present—farms between 200 and 300 acres.

32,347. What would be about the rental?—It would vary exceedingly. Fairly good arable land in our country is worth from 20*s.* to 25*s.* per acre.

32,348. What proportion of pasture would there be to the arable?—About a fourth or a fifth.

32,349. How many tenants would you probably get competing for a farm of 300 acres at the rental you mention?—There has been rather a rush for farms this year; why I cannot tell. In previous years perhaps you might get two or three or four.

Reduction of rents.

32,350. What reductions of rent have taken place in your district?—I believe the average reductions have been between 20 and 30 per cent.

32,351. So land was rented very considerably more per acre 20 years ago than it is now?—Yes.

32,352. But you say that it would take a 60 per cent. reduction of rent to meet the present prices?—Yes, and I can show you figures to prove it.

32,353. Why have not the farmers got that 60 per cent. reduction?—They have done their best. We can only do our best in this world, and they have done their best.

32,354. To get it?—To get as much as they can.

32,355. They have not been able to succeed in getting anything beyond that 20 to 30 per cent.?—No. That statement requires a little modification. If you take the case of a farm with 500 acres, 400 acres being arable, and 100 acres grass, perhaps you might do with a little less than 60 per cent. by altering your rotation a little, so as to be at rather less expense.

Compensation for high farming.

32,356. You mentioned just now that you had laid out 2,000*l.* on a farm, for which you received 400*l.* in compensation?—I did.

32,357. Now what do you estimate was the value to the incoming tenant of the 2,000*l.* that you laid out?—He has had it four years now, and he has been selling hay and straw ever since. It was of very great value to him.

32,358. Do you think it was worth 2,000*l.* to the farm, presuming that the conditions had been equal at the same time when you made the improvement or laid out that money as when you left it?—It occurs this way; if prices had continued to be the same as they were when I expended that money, it would have been worth the 2,000*l.*; the 2,000*l.* was well expended, and it would have been worth that in the end. But as prices fell, you see you have to compare the money you get with the prices, and therefore 2,000*l.* would have been too much with the fall of prices.

32,359. But you only got 400*l.*; how was that?—I got far too little.

32,360. What do you consider you ought to have got?—I ought to have got about 1,500*l.*

32,361. By what system did the arbitrator arrive at such a result which precluded you from receiving this extra 1,100*l.*?—He sent in his award finding that so much money had been expended during the last four years on such a thing, and so much during the last four years on another thing, and so much during the last two years on another thing, and calculated that so much of that was unexhausted; but he did not give me a penny for that 2,000*l.* which I expended at the beginning of the lease in order to bring my land up to a high state of cultivation.

32,362. Do you say that farmers who began farming well at the commencement of their tenancy have been enabled to pay the old rents for many years even after the price of produce began to fall?—That is true. The farmer's land is his bank; as a rule when he makes money he puts it into his land, thinking he is going to get it out again.

32,363. A good many farmers have been—I will not use a harsh word, I will say precluded from receiving that amount that they ought to have received?—Yes; they have not received that amount which they ought to have received.

32,364. In other words they have had to pay upon their own improvements?—That is in re-taking farms.

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That is why I had to leave that farm. They wanted me to pay on my own improvements. They would not bring the rent down to the rent it would have been if I had not had the farm in that high state.

32,365. So that practically your bringing the farm to a high state of cultivation precluded you from getting a reduction of rent?—Exactly.

Cost of removing from a farm.

32,366. Presuming that you had only that farm to rely upon, what would have been the cost for you to remove from that farm to another farm in another district?—I did remove from that farm to another farm.

32,367. As I understand you are a large farmer?—Yes.

32,368. But in the case of a small farmer, how much do you think it would cost a farmer to move his stock, to take the risk of going to another farm, and to recoup himself for the loss incurred in making himself acquainted with the system in vogue in that other district which he goes into?—Do you mean a district a long way off?

32,369. Wherever he can get a farm?—If you get it in the same county of course you know all about the cultivation to begin with.

32,370. How much does it cost to move?—Not much.

32,371. How much would you calculate it at in a per-centage upon the capital?—It would cost only the carriage of the implements and that sort of thing. It would cost you nothing much.

32,372. So that on the breaking of the tenancy you do not think it matters much to a man whether he leaves his farm or not?—If he is interested in a farm, and does not like to move, that part of the business is more sentimental than anything else.

Appointment of valuers.

32,373. Why do valuers in your part of the world regard the Agricultural Holdings Act like a mad bull does a red rag, as you say in your brief?—Because they are practically representatives of the landlords, who have been able to pocket all these tenants' improvements for generations without paying anything.

32,374. Do you think that?—Yes.

Ground Game Act.

32,375. You said something about the Ground Game Act and its being very beneficial, I think?—It has been.

32,376. You know perhaps that there are restrictions upon the tenants in this matter?—I know.

32,377. Would you have those restrictions on killing ground game removed from the tenants?—I would let the tenants have all the ground game and make it like the landlord's income tax.

32,378. Therefore you would favour an amendment of the Ground Game Act, which would give the tenant a right to kill ground game as he pleases?—Yes, I would.

Compensation for improvements.

32,379. Would you say that this proposed arbitrator whom you would set up should be appealed to in the case of an improvement which the tenant would desire to make and which the landlord would not make?—Not in the case of an improvement, but in the case of an alteration of the system of cultivation. Suppose a man wanted to take two white crops running. He could then apply to this man, and say: How much would the landlord suffer; would he suffer anything? This man might say: He will suffer perhaps 1*l.* an acre; if you will pay the 1*l.* per acre, you can take these two white crops.

32,380. Now as regards improvements; would this be your definition of compensation to a tenant—the amount of value that was added to the letting value of the farm?—That is the original intention of the Act.

32,381. And that would be your proposal, broadly speaking?—Broadly speaking, yes.

Railway rates on agricultural produce.

32,382. You say something in your brief about reducing the railway rates, so as to give no preference to foreigners?—Yes, but I do not see any way of avoiding that difficulty.

32,383–4. But you have no instances with you?—I cannot give you the figures.

32,385. Do you think it would be possible to get them and add them to your evidence in answer to the questions I am now putting to you?—I will try to do that.

32,386. If you can get any other instances of preferential railway rates being afforded to the foreigners I should myself very much like to have them?—Yes; but of course the difficulty is that they call these through rates.

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Co-operation in Northumberland.

32,387. (*Captain Owen Thomas.*) You say in your brief that you practise co-operation in buying seeds, manures, and foods; what is the system you adopt?—Farmers combine together to use a certain amount of capital, and they appoint a man to buy for them—to keep a store, in other words—it is exactly on the principle of a store.

32,388. Is that a county arrangement?—Anybody in the county can join. One share of 5*l.* entitles you to become a member.

32,389. Are all the farmers members?—No, many of them are not. But I may say that in our county adulteration in foods, and in manures especially, is almost a thing unknown. We are very well off for these things.

32,390. What per-centage do you think you gain by being a member of this society?—I do not gain very much in per-centage. The great gain I make is indirectly, because it enables me to buy at the lowest price things can be got at. I buy less than half what I get at the store, but in regard to the remainder I know I cannot be persuaded by any other body to pay too much because I can find out the prices there.

32,391. I suppose you pay cash?—Yes.

32,392. And all the farmers cannot do that?—No, they cannot.

32,393. Are the landlords on fairly good terms with the tenants in your district?—Yes.

Condition of farmers about 1850.

32,394. (*Mr. Everett.*) You say in your brief that about 1850 the farmers in Northumberland were quite as poor as they are now; was that owing to the fall of prices which occurred then?—It is almost beyond my time to remember the cause, but I remember the result very well — at that time the farmers were very poor.

Improvement of 1850–70.

32,395. Was the improvement of their condition due to the improvement of prices which took place after that year?—We had various wars, you know, and that sort of thing; then gold was discovered. There were two different epochs in the discovery of gold—namely, the Californian and the Australian. These things sent prices up with a rush.

32,396. So that during that period which mended their condition the production of gold proceeded faster than the production of commodities, comparing the one with the other?—It did.

32,397. During all that time did not the improvement of transit and the improvement of machinery proceed still?—Transit and increased production have been heard of ever since I remember. People have been talking about over-production and facilities of transit all along. It is an old grievance, but it is always found to be not substantial.

32,398. Improvements have really been going on all the while?—Of course they have.

32,399. And yet notwithstanding that, during the 20 years following 1850, prices mended instead of going down?—Yes, certainly.

32,400. You think the great production of gold was a great element in that?—Yes.

Effect appreciation of gold.

32,401. Do you know anything about prices in countries where to-day, as for many years past, they measure prices by silver instead of by gold?—No. That gets into the bimetallic question, and I do not understand it.

32,402. In speaking about the effect of the appreciation of gold, might I take it that a largely increased demand for gold would tend to appreciate it just in the same way that a diminution of supply would?—The terms are almost synonymous.

32,403. And that the legislation of one nation after another prohibiting the free use of silver, and therefore requiring the substitution of gold in its place, would mean a largely increased demand?—Yes; that is what happened, I take it, in Prussia.

32,404. Would it not, therefore, be likely that the undoing of that legislation, and allowing silver its old free use, would relieve the demand on gold?—That comes again to the question of bimetallism.

Malt tax.

32,405. Then I notice that the last thing in your brief about remedies is the suggested restoration of the malt tax?—Yes.

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32,406. You are aware that malt is quite free from duty now, are you not?—I think the present tax, although it may be necessary for the purposes of revenue, is a very unjust tax to the producer. What would other industries say if they were taxed like that? Suppose we say to the cotton manufacturer: "We "will put a duty on cotton shirts"; he would say: "I "protest against this," and there would be a perfect rebellion. Suppose we turned round and said: "We "are doing it for the purpose of revenue, and wool is "so much more wholesome to wear"; what would he say to it? That is just what you are doing to farmers with this abolition of the malt duty; you are preventing our produce from being consumed.

32,407. What you wish, I understand, is to sweep off the whole of the taxation on the product of the fields?—We must have taxes somehow or the other, and perhaps it is well to put it on the liquor as much as we can; but it would be much better to put it on the malt, because I do not think that would injure anybody, and it would benefit the British farmers and landlords.

32,408. Would not that injure all those cottage people who are now able to buy their malt without any tax and to brew their own beer?—They do not exist in our county.

32,409. In my county all the more respectable labourers buy their malt, and they can buy it now at very nearly the same price as barley, and they brew their beer absolutely free from taxation?—Indeed. I once tasted some home-made beer at Brighton, but I should not like to repeat the experiment.

32,410. You would deprive the poor man of the advantage that he has by the use of his malt untaxed?—He has no advantage in our county.

32,411. Would it not be a good thing if county councils, among the many other things they teach, taught the poor man how to brew his own beer, and so avoid the taxation he has otherwise to pay?—We have had far too much of what they call technical education with us. We are wasting an enormous amount of money. Anyone who has been taught to read and write, and has a good knowledge of arithmetic, can educate himself if he wants it.

32,412. Might it not be a good thing to take up Cobbett's advice to cottagers, and to show them how practically they can help themselves by availing themselves, for instance, of the fact that there is no duty upon the malt, and that they therefore can make their beer for about a quarter of the price which they have to pay for it if they buy it?—The Scotch are a very saving race, who look at every side of a question, but there is never any private brewing in Scotland; there is no private brewing north of the Tyne.

32,413. (*Mr. Elton.*) I do not want to go on about the beer duty, but I understand that your principal idea is that as a rule you would have the money put on things like beer, but that you would make an exception and go back to the malt tax in order to relieve agriculture?—That is what I would like to see.

32,414. That would be an exceptional thing?—Yes.

Compensation for laying down permanent pasture.

32,415. You said something about permanent pasture; the Agricultural Holdings Act is vague in using the expression "permanent pasture." What do you mean when you speak of permanent pasture? I know that it is a vague term, but could you give us any indication of what is in your mind when you say "permanent pasture." Do you mean 15 years old, or 25 years old, or what?—I can tell you a case that occurred to me the other day. A man consulted me about that very question. When I went to see the place I found that he had accepted this condition, that he was to be paid for laying land down to permanent pasture. His predecessor had sown a field very badly, and it had not cost him more than 10*s.* an acre. This land, I should think, lay idle for a number of years, and now it has increased in value from 5*s.* to 15*s.* an acre. Now who is the man who is going to be paid for that?

32,416. Do you call that permanent pasture or what?—We call everything permanent pasture that we are not allowed to plough up.

32,417. Of course that just lands you in a circle. You are told not to plough up permanent pasture; then you say permanent pasture is what you are told not to plough up?—When you take a farm, if the landlord wants anything to remain in grass, he says, such a field shall be permanent pasture and not ploughed up.

32,418. Then permanent pasture is generally a given field, marked A., B., or C., and called permanent pasture?—Yes; it does not depend on the time it has been grass.

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32,419. That is very much what I was expecting you to say, as a practical man. Then the permanent pasture clause really relates to pasture which is a matter of contract, and it might lead to great difficulties if you were to try and lay down what is permanent pasture and what is not?—That is a very great difficulty, but still these things should be settled.

32,420. Some farmers think that pasture is not permanent if it is seeded down by the tenant or his immediate predecessor, but that it requires to make it permanent to have been done by the landlord or his predecessor: have you heard of that?—No; the only test we have is that it is arranged that it shall be laid down to permanent pasture.

32,421. It might be 25 years old and yet not permanent?—Fifty, if you like, still not permanent pasture.

Compensation for unexhausted improvements.

32,422. With respect to the improvements at the beginning of the tenancy, of course the principle of the Act is that compensation shall be given for work done by the tenant measured by the value to the incoming tenant?—That is so.

32,423. It is estimated that certain improvements will lose their effect in so many years, is it not?—Yes, it is estimated so.

32,424. And of course if you, some time before that period begins, put down these things it is assumed that they have lost their value?—Yes, but these people forget the reproduction. A farm gets into a circle, it keeps reproducing itself, it keeps reproducing the manure again if it is properly farmed.

Inherent capability of the soil.

32,425. That may be partly in consequence of the inherent capability of the soil, I presume?—That is a thing which nobody can define.

32,426. You did not define it, and you did not even take it into account apparently?—It is is a very difficult thing to define.

32,427. However, in what you have told us already, you did not go into that branch of the question?—I did not take it into consideration.

32,428. And yet it is the proviso to the Act?—I know it is.

32,429. The Act runs, "Provided always there shall not be taken into account." Now I will meet you in this way. Before the period of exhaustion begins, if we may call it so, before the period during which the manurial value would be determtned, before that you have made an improvement; that improvement may be partly due to the inherent capability of the soil and partly to the diligence and cleverness of the tenant?—That is what people have said about those inherent capabilities, and it is resulting very much as they have said it would—it is going to result in merely considering the money that has been spent in the last few years, and that is very unjust.

32,430. Do you say that the valuer could not take into account the outlay of the tenant allowing for the inherent capability of the soil? Could he not take into account what the tenant had done at the beginning of the tenancy?—It would be a very difficult question, but he might make some allowance for that.

32,431. I should submit to you that he could make the allowance, but that the farmer would be surprised on finding there was a deduction made for the inherent capabilities of the soil which enabled the improvement to go on for so long?—Yes, he would be very much surprised to find it so.

32,432. Do you attach any meaning at all to the proviso that the landlord is to have the benefit of the inherent capabilities of the soil?—Yes, in some cases it is very necessary. For instance, where land is really fertile land, but in a state of marsh and the tenant drains it, and makes it into very productive land, it would not be fair to make the landlord pay for the value of that land in its improved state.

32,433. Suppose a man puts a little neck of hedges across a gap and so completes an enclosure, or suppose he makes a little cut in the neck of a drain and so reclaims a lot of land; would that be a case where the landlord would get the benefit of the inherent capabilities of the soil?—Yes, that is so.

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32,434. That was the decision I think as far as I remember in Adams *v.* Dunseath, [10 Irish Law Reports], which case you may have heard of?—Indeed, I have not. It has always been a sort of thing which people have approached with fear and trembling, because they saw there was a difficulty involved in it.

32,435. It is quite obvious that it is a very difficult question, and I was only trying to see how far you had allowed for it. In your case, you will excuse me saying that, you treated it as a definite sum in subtraction, 400*l.* from 2,000*l* leaving so much, and you made not the faintest allowance for the possible effect of the proviso?—I made no allowance for the proviso. The soil was better in every respect at the end than it was at the beginning.

32,536. I know the difficulty of the clause and how very difficult the calculation must be?—It is almost an impossible one.

32,437. You can always settle everything in the world of course by splitting the difference or tossing up?—Yes.

Sale of cattle by live weight.

33,138. (*Sir Nigel Kingscote.*) I should like to ask you one question on a different subject. How are cattle sold in your neighbourhood, are they sold by weight?—A jobber comes and buys a great many of mine from me privately; others are sold by auction at the marts where you have the option of weighing them if you like; and the rest are sold by commission at Newcastle market.

32,439. Do you think it advantageous to the farmer generally to sell by weight?—I think it would be a very good thing indeed, but unfortunately farmers are so very difficult to alter in their ideas. Selling by weight is a most excellent idea. Why should we sell beef by estimate and corn by weight—we might as well sell our barley by the stack.

32,440. Should you say that every market ought to have a weighbridge?—Certainly.

32,441. It would be far better for the farmer if it were more used, would it not?—Certainly it would. It stands to reason that the jobber is a better judge of weight than the farmer is.

32,442. (*Mr. Clay.*) You have these weighbridges just now, but they are not used because they are not compulsory?—That is so. These butchers and jobbers have been throwing as much cold water as they can on them, and laughing them out of use.

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32,443. (*Sir Nigel Kingscote.*) Would you like to see sale by weight compulsory?—Yes.

32,444. (*Mr. Elton.*) You do not believe in the idea that I have heard expressed by farmers, that the man who has seen the animal since it was born knows how it is packed better?—Can tell its weight better?

32,445. Yes?—No, I do not. There was another question about the importation of store cattle which I wanted to mention.

Slaughter of cattle at port of debarkation.

32,446. (*Sir Nigel Kingscote.*) I was going to ask you about cattle diseases in reference to that?—I was thinking of the restrictions on the importation of store cattle. That at present is a matter of great inconvenience to us. We do not know what ground we are standing on. If they are going to keep them out for good I should go on breeding. I breed about 60 calves every year.

32,447. You would like to see one thing or the other?—Yes.

32,448. I think you have said that you wish to see all store cattle coming from abroad branded?—I meant that to apply to fat cattle as well.

32,449. Fat cattle as well?—Yes; of course store cattle would require to be marked, but when they had been here two months they might be considered English cattle.

32,450. Would you prefer to see all cattle killed at the port of debarkation as long as it was the universal law, or would you sooner see cattle assumed to be healthy and after quarantine allowed to go into the country?—I have not the least choice, if you only tell me which way it is to be. I can adapt myself to either way.

32,451. You deprecate the uncertainty?—It is the uncertainty that is playing the mischief. I have had to reduce my cattle breeding one half this year, because very likely there may be an American glut next season.

32,452. (*Mr. Clay.*) Was that from fear of getting disease from abroad?—No; from the fear of getting a glut of store cattle, when it would not pay me to breed.

22,453. (*Sir Nigel Kingscote.*) But you would like to have immunity from disease?—Really this uncertainty is troubling us so much that I would almost prefer to run the risk.

The witness withdrew.

Adjourned to Thursday next at 12 o'clock.

Fifty-sixth Day.

Thursday, 26th July 1894.

PRESENT:

The Right Hon. GEORGE JOHN SHAW-LEFEVRE, M.P., in the Chair.

Viscount Cobham.
The Right Hon. Baron Rendel.
The Right Hon. Henry Chaplin, M.P.
Sir Robert Nigel Fitzhardinge Kingscote, K.C.B.
Robert Giffen, Esq., C.B.
Captain Owen Thomas.
Francis Allston Channing, Esq., M.P.
John Clay, Esq.
Cornelius Neale-Dalton, C.B.
Robert Lacey Everett, Esq., M.P.
John Gilmour, Esq.
George Lambert, Esq., M.P.
William Cutlack Little, Esq.
Walter Hume Long, Esq., M.P.

Herbert Lyon, Esq., *Secretary.*
R. F. Crawford, Esq., *Assistant Secretary.*

Mr. E. Atkinson. 26 July 1894.

Mr. Edward Atkinson called and examined.

32,455. (*Chairman.*) I believe you are President of the Boston Manufacturers' Mutual Fire Insurance Company?—Yes.

32,456. In connexion with that I believe that there are a number of manufactories combined together for the mutual prevention of loss by fire and payment of indemnity?—Yes.

32,457. For many years past I think you have given attention to the subject of prices and to economic questions in the United States?—Yes.

His experience in economic questions.

32,458. And that you have written largely upon the subject of the material progress of your country, beginning, in 1861, with a pamphlet on "Cheap Cotton by Free Labour"?—Yes.

Mr. E. Atkinson. 5 July 1894.

32,459. In 1879, when your country restored the specie standard on a gold basis, I believe you began a close study of the economic conditions of the Mississippi Valley, as it was even then thought that the political power would be centred there?—Yes.

32,460. In 1880 I think you published an article in the *Fortnightly Review* in which you showed the improvement in the processes applied to agriculture in milling and in the removal of crops by rail and by water, and you prophesied that these improvements on the process of distribution as well as on production would presently make 34*s.* a quarter as good a price to the Western farmer as 50*s.* had been theretofore?—Yes.

32,461. Since then you have dealt with that same question at two meetings of the British Association, and especially in 1887, when you were here in this country as Commissioner of the United States Government to report on bimetallism in Europe?—Yes.

Effects of improvements in cultivating wheat in the United States.

32,462. Will you kindly state your view of the effects of the various improvements in the cultivation, in the gathering in of the wheat crops in America, and also in the reduction in railway fares and freights upon the price, especially of wheat?—Yes; taking wheat as one of our minor crops, I will speak upon that. The various elements of reduction consisted, first, about 1876, in the invention of the self-binder. There had been previously a great many improvements in cultivation by the gang-plough and other machinery, but the self-binder removed the only limit to production. It then became a matter of land and price, and as, of course, the land was practically unlimited it became a question of price. Previous to that it had required what you may call an army of agricultural tramps to bind the wheat crop when it was even harvested by the machine. It took 5 to 7 binders to follow every harvester, and as the season is short they earned almost any sort of wages that they chose to demand; and yet our crop rarely exceeded, if ever, 300 million bushels. The self-binding harvester was first perfected by the use of wire, but it was found that the little bits of wire that were left upon the field got into the guts of the animals who fed after the crop was removed and did injury to them; and so about 1876 the twine-binder was completed, and you will observe by the statistics of our crops that the wheat crop immediately advanced to 400 and 500 and 600 million bushels.

The self-binder.

32,463. (*Mr. Channing.*) From what previous figure?—From an average of about 300 millions as a maximum. I do not now recall the exact quantities. It was on that additional crop of wheat made between 1876 and 1880, which you happened to need over here, that we imported the specie on which we resumed specie payments in 1879. The exports of wheat from the United States in those four years almost exactly corresponded to the import of gold. I regard that twine-binder as the most potent invention.

32,464. (*Chairman.*) I do not know whether you have looked at the list of prices of wheat year by year as given in the appendix to our evidence here from 1869 to the present date. If you look at those prices you will see that there occurred about the year 1879 a change in the condition of things, and that for the first time in the list which is to be found there a very deficient harvest was not accompanied by an increase of price, but rather the contrary; that the price fell, notwithstanding the fact of a very indifferent harvest, the worst harvest probably ever known in this country?—Yes.

Reduction of freight for wheat.

32,465. That would seem to be coincident with this great change that you speak of, due to the extension in the cultivation of wheat, to the invention of the self-binding apparatus?—Yes. That was exactly coincident with the invention of the self-binder, but it was also coincident with an even more rapid fall in the price of transportation in the United States, and the extension of the steamship service. It cost, from 1865 to 1870, 40 cents, diminishing to 30 cents a bushel to carry wheat from Chicago to New York by all rail, now it costs by rail and water 10 cents from Chicago. Then again, about that time the great North-Western territories, the two Dakotas, and all Northern Minnesota were opened.

Wheat growing in the Dakotas.

At the price of that day, a single wheat crop on sod land would sometimes pay the whole cost of the farmer's improvements; and the Dakotas, which at about that date for the first time appeared separately in the list as distinct from other territories or States, have since gone up to 80 or 90 million bushels. If you will refer to our statistical abstract you can see how they progressed. In South Dakota the farmers have in 21 years become very independent, and a great many of them have retired; they have grown rich—that is, rich at the farmer's standard. Of that I have some extremely valuable testimony from South Dakota, the southern half of that great territory which is now a State. I can give you the details, if you want them, in exact terms.

Mr. E. Atkinson. 26 July 1894.

Reduction in cost of cultivating and marketing wheat between 1873–87.

32,466. I see in your paper read before the British Association in 1892, you say that between the years 1873 and 1887 there had been a great advancement of science, resulting in a reduction in the cost of delivering wheat in London from the principal wheat centres of the United States, 1,200 or 1,500 miles from the seaboard, first, in planting and reaping, of 2*s.* per quarter; then in elevating and handling, 1*s.* per quarter; in milling and sacking, 3*s.* per quarter; in railway charges, 11*s.* per quarter; and in ocean transportation, 5*s.* per quarter, making a minimum reduction per quarter, from 1873 to 1887, of 22*s.*?—Yes.

32,467. You then put the average price in Mark Lane, from 1870 to 1873 inclusive, at 54*s.*, and with that reduction of 22*s.* you brought out the result of 32*s.* as the reduced price owing to these various charges?—That was a very carefully prepared statement based on exact information from some of the best firms, from the millers, and especially from the makers of agricultural machinery, who are members of the Insurance Company with whom I am in the closest relations, knowing all about their business; and that exactly coincided with my forecast published in the *Fortnightly Review*. Since that date there have been other very material improvements. For instance, the greatest change since then in the cost of transportation had been west of Chicago between Minneapolis and Chicago and from Duluth to the seaboard. The rates of traffic west of Chicago in bringing the wheat from the farms had been very much higher, but since that date there has been a reduction in the rates of transportation west of Chicago, so that the wheat is now brought to the mills at a lessening cost. I cannot give the exact data, but it is very much less. Then, again, there have been vast improvements in milling. The roller process has become universal, and there have been a great many minor improvements. For instance, one of the heaviest charges was insurance. The dust of the great flour mills exploded then, and the cost of insurance was three or four per cent. a year. The rate of insurance is down now to less than one per cent., as that danger has been entirely obviated by the introduction of what are called dust-collectors. Then the cost of cooperage has been very much reduced. But there has been a greater reduction, because in our export traffic we substitute the bag for the barrel. There has been a further small reduction since that date in the railway traffic from Chicago to the seaboard. I should say that the amount of capital required in the production of wheat has been greatly reduced by the lower price of agricultural machinery. I cannot fix exact dates, but the agricultural machinery which they now use costs the farmer much less than half it did prior to 1870.

32,468. The improvements you are now speaking of, as I understand, have occurred since 1887?—Since 1886 there has been, I should say, such a reduction in the various charges as to lead me to forecast 25*s.* a bushel in Mark Lane as a sort of normal price at which our supply will not diminish.

32,469. Before you come to your forecast I should like a little further explanation of these various changes?—When you asked me to come here I thought I would strengthen myself, and so I sent out to Minneapolis to one of my correspondents there to get the exact changes that have occurred since that article was published in *The Miller*, from which you have quoted. I have not received the replies, but if you will allow me I will later on put them in. I should say there would have been a moderate additional saving in planting and reaping, an additional saving in elevating and handling, a very considerable reduction in milling and sacking, another reduction in railway charges, and another reduction in ocean transportation. My impression is that these changes will, as we say on our side, pan out about 7*s.* per quarter.

32,470. (*Mr. Chaplin.*) Since when do these reductions date that you are speaking of now?—Since 1887 or 1886 to the year on which my data of 1887 were based.

32,471. (*Chairman.*) As I have already said, the reductions in the cost of production and of carriage to this country between 1873 and 1887 amount to 22*s.* a quarter?—That was the estimate on all rail.

32,472. That would account for a reduction in the price of wheat of from 54*s.* to 32*s.*?—Yes.

32,473. Since then there have been, at various times, these other reductions spread over the period ——?—Yes, spread over the period subsequent to 1887.

32,474. Other improvements in transportation, resulting in a reduced cost of production and distribution amounting to something like 7*s.* per quarter?—That, I think, will be proved when I get the figures.

Saving effected by the self-binder.

32,475. Apparently this latter calculation does not take into account the self-binder?—The self-binder had already come in in "planting and reaping" before 1886.

32,476. It is included in "planting and reaping"?—Yes.

32,477. Then, may I take it that the actual saving effected by this self-binding apparatus was not very considerable, but that it enabled an enormously greater crop to be taken in?—It amounted to about 2½*d.* per bushel.

32,478. Therefore the actual saving in cost was not considerable, but the effect of the self-binding apparatus possibly enabled an enormous extension of territory to be put under cultivation?—Yes. It is like what will happen if the impossible cotton-picker is ever invented. That will double or treble the cotton crop at once, the limit of cotton is not in growing but in picking.

32,479. The facility afforded by this self-binding apparatus enabled a very great extension of land to be put under cultivation in wheat?—A very great extension. My point is that the farmer at the north-west was as well off at the 32*s.* as he had been at the 54*s.* That was very bitterly contested at the time I put it forward; and I was subjected to some pretty severe attacks, but my forecast has been justified. I would point out two new factors which have come along in the last decade. The straw, even up, I think, to 1887, was mostly burned in order to get rid of it. It is now in part compressed to make a good fuel for the harvesters and the reapers; and all the rest has a very distinct market value. That is an additional factor in the remuneration of the farmer; but yet more is the enormous change caused by the fact that the all-wheat system has passed away. I do not undertake to say that the farms in Dakota or Minnesota, or anywhere in that section, devoted exclusively to wheat are to-day a profitable undertaking; but those farms are being divided up.

32,480. I should like, before you come to that, to put a few other questions, as you are going a little faster than I wish. I do not wish to disturb the general drift of your evidence, but I think there are a few questions I should like to put to you before we come to that. The improvements that you speak of between 1873 and 1887 were extended, I presume, over that period, and, I gather from your brief, that they enabled you to compete with the importation from British India?—Yes.

Competition of Indian wheat, 1880-86.

32,481. There was a great extension in the imports of British India between 1880 and 1886, I believe?—Yes.

32,482. In 1885 and 1886 they had reached their maximum; but in spite of those great importations your country was able to compete with India in our markets in consequence of these great reductions in the cost of production and in the freight?—We had at first regarded the Indian competition as something rather serious; but it appears to have culminated, and, on investigations which I have made myself in various ways, it seems as if the amount of land that could be spared from Indian food crops, near enough to a railway to grow wheat, is not very large, and land which is sufficiently near to a railway to export wheat cannot be spared to any considerable additional extent. I am inclined to think that we can meet India without difficulty. I am more afraid of the Argentine Republic.

32,483. Then I gather from you that in 1887, when you wrote the paper which you read before the British Association, you were able to account for the full reduction which had taken place in the price of wheat up to that date by the various improvements in production, and by the reductions in railway charges and freight up to that date?—I have ceased to regard the competition of India as an important factor; their wages are very low, and their effectiveness is very low. Our wages are very high, and our effectiveness is very high, and therefore our low cost more than off-sets the India cost. Low-priced labour is apt to be very dear.

Competition of Argentine wheat.

32,484. Since 1887 a fresh competitor has appeared on the market, namely, the Argentine Republic?—Yes.

32,485. And the imports from the Argentine Republic have been growing at a great pace, and have risen from a million hundredweight in 1887 to 2,800,000 cwt. in 1890; 2,400,000 cwt. in 1891; 3,400,000 cwt. in 1892; and as much as 7,859,000 cwt. in 1893, bringing the Argentine Republic into the position of the third greatest importer into this country, next after your country and Russia?—Yes.

32,486. Now, in your opinion, have the improvements which have been effected since 1887 been sufficient to enable your country not only to meet the continued competition from India, but also this further competition from the Argentine Republic?—That is a question that no one can yet reply to. So far as area and productiveness of land are concerned, the land on the Paraguay and Parana rivers can feed the world with wheat and supply the world with cotton.

32,487. I do not say looking to the future; I am now speaking of the past?—So long as the people have a depreciated paper currency and an unstable Government I should not regard them as likely to increase crops very rapidly, although their orders for machinery come in very large quantities to America. I know one of my clients had a single order for 25,000 steel ploughs for the Argentine Republic a year or two ago—one order. In many ways the ability of the Argentine Republic to produce is being proved, and I do not think we can any of us here tell how far that is to go.

32,488. I am speaking rather of the past than of the future; up to the present time, without regard to the future, do you consider that this reduction in the cost of production has enabled your farmers to compete in the English market with both India and the Argentine Republic?—Our farmers are very well off; they have been reducing their mortgages down to the end of the year 1892. I except the panic year—1893—from all consideration; I do not take that year since April and until the present date as a rule for anything. The reduction of farm mortgages went on rapidly from 1887 to 1892, and is probably suspended at the moment, but the facts are, that more than 60 per cent. of the farmers in the Mississippi Valley are free of any mortgage whatever; the other 40 per cent. have a mortgage on their property, that is, on their land and buildings, of less than half their value.

Effect on prices of wheat imports from the Argentine.

32,489. I should like you, before you go further, to look carefully at this table that I have adverted to more than once; you will see that up to 1892 the price of wheat was maintained at about from 32*s.* to 33*s.*—the price you mentioned in 1887; then there was a great drop from 1892 to 1893, and the price in 1893 was 26*s.*, and apparently it has been maintained at that low rate since. If one couples that fact with the enormously-increased importation from the Argentine Republic in the year 1893 of nearly eight million cwts., as compared with two or three million cwts. in the previous years, it would seem to indicate that this further reduction of price in 1893 was due to the imports from the Argentine Republic?—You know that when you add a little to an already sufficient supply, the effect of a small excess upon the price is entirely out of proportion to the magnitude of that excess.

32,490. That would very likely be so, but is it not perhaps reasonable to suppose that this further reduction that took place in the price in 1893 was largely due to the influence of these importations from the Argentine Republic?—I should think it much more due to the enormous crop of the United States in 1891, which came to market in 1892, and on which everybody was misled.

32,491. But the price did not fall till 1893?—There was more wheat than the people could use who had the money to pay for it, and that surplus affected the price. That, so far as our country is concerned, has to a certain extent checked the increase of the area devoted to wheat. The crop now depends on the season rather than on the land. I should say that, in my own judgment, the effect of the Argentine supply had been the effect of a very moderate additional percentage added

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to a stock already sufficient, and that that stock was already sufficient on account of the most unexpected harvest of 1891 in the United States, which came to market in 1892, and may not yet have ceased to exert an influence.

Cause of fall in price of wheat in 1893.

32,492. Then you consider that the fall in price in 1893 should be accounted for by the enormous harvest of 1891, which added largely to the stocks of the world, without taking into account the fact that the Argentine Republic came into the competition?—Of course each addition has an accelerating effect on the fall in price; but I think you would have had low prices: at any rate I should myself have expected prices to be almost if not quite as low without any regard to the Argentine. Argentina has relatively increased on itself, but in respect to the total supply of wheat of the world, it is still a relatively unimportant factor, rapidly increasing in its influence however.

32,493. Of course it is possible that in spite of those reductions in the cost of production and carriage, the American farmer might have got a larger price if it had not been for the imports of the Argentine Republic?—Yes, and then he would have increased the area of land in wheat.

Reduction on cost of producing and distributing wheat since 1887.

32,494. Then you account for the reductions in price up to 1893 in part by the great reduction in the cost of production, which you have estimated at 7*s.* a quarter since 1887; in part also to the very abundant crop of 1891, and also to the increased area of wheat production?—That is my view, including distribution with production.

32,495. Now, looking to the future, I would ask you what your view is of the introduction of this fresh competition from the Argentine Republic?—We are meeting it by opening a new wheat country in our own land, which is better situated.

Wheat growing in the Argentine.

32,496. One word upon the prospects of the Argentine Republic; you have already told us that you are aware of one firm alone which has received an order for 25,000 steel ploughs?—Yes, a single order among many.

32,497. Showing, I presume, a very great extension of cultivation?—Yes.

32,498. (*Mr. Chaplin.*) Is that in Argentina?—Yes, on the Paraguay and Parana rivers. I would say to you if anyone has any idea of looking that up, that there was an exploration of the Paraguayan and Parana rivers on the part of our Government many years ago, which I studied; and you may compare this: The prairies of the United States bore the buffalo grass, which grows only a few inches high, it is very nutritious, and over the prairies the buffaloes formerly ranged without stamping it out. That grass, for a time, furnished the supply of feed for the ranching system of cattle-raising; but the ranch system, so called, of cattle-raising soon exhausts itself, for the heavy beef cattle, permanently pastured, stamp out the roots; whereas on the Pampas on the Paraguay and Parana rivers, the pampas grass grows continuously—I do not know how high, say two or three feet—and bears unlimited herds of cattle, as you know; that land is equally good for wheat and cotton. So that what may come from the Argentine we cannot tell. If you could only get a British Protectorate over it, and establish a sound currency and a stable Government, we should have to look out for our exports, but it would not be of any consequence to us in our internal arrangements.

32,499. In America, you mean?—Yes.

"Pan Handle" of Texas and wheat growing.

32,500. But you could not compete with them?—We have just opened the Pan Handle of Texas, which covers 30,000 square miles. Bear in mind that our whole wheat field only covers 60,000 square miles, and the Pan Handle of Texas, which has been a grazing country corresponding to the Pampas, and was supposed to be fit only for that, has within the last five years been found to be one of the best wheat sections in the United States, five years out of six.

32,501. (*Mr. Lambert.*) Would you mind showing me where it is?—It is there (*pointing to map*). It is called the Pan Handle owing to its peculiar shape running up here. It produces a very hard wheat, and it has 22 inches of rain every year, five years out of six. Then it is an admirable fruit country.

32,502. (*Chairman.*) And that is being gradually opened up by railways, I understand?—Not gradually; it is being very rapidly opened up. There are 30,000 square miles in the Pan Handle. But take the Red River Valley. In the Indian Territory and the north of Texas you may put the whole wheat crop of the United States without any trouble whatever. That land is now occupied, but no great portion of it is in use. On the Red River the soil is 10 to 20 feet deep and is inexhaustible.

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32,503. I believe the total acreage devoted to wheat in the United States, in comparison with land devoted to other crops, is not considerable?—It is very small.

Ratio of wheat area to cultivated in United States.

32,504. What is it?—It is 2 acres in 100 of our area, and about 4 to 5 acres in 100 of our arable land. It is rather a border crop than a farmer's crop. It is now becoming a farmer's crop, with the improvement in agriculture and the application of the intensive system, and the great discoveries of Florida phosphates and other elements, coming in to support an intelligent system of farming. Wheat is a cash crop. It takes the farmer but a little while to lay down a wheat field in the spring; it does not interfere with his other work, and then it is harvested by contract by the harvesters who go about the country; so that without any interference with his mixed farm work, he goes on and produces his wheat as an absolutely sure cash crop, just as the cotton of the south is now grown; you cannot say what it costs; whatever the farmer gets is so much additional money, and he will have expended a very small part of his time upon it. I do not see any stop to it. I think that cheap bread is assured for all time to come.

32,505. (*Mr. Everett.*) Have you with you a list of the acreage of the wheat grown in the United States during the last 20 or 30 years?—You will find the facts exactly in the statistical abstract of the United States which you have here. I have not a very recent one, but in my article in the *Fortnightly Review*, and elsewhere, I made a map of areas in which the size of the wheat field and the corn field and the cotton field was exhibited graphically in relation to the area of the several States. In that map you have it as in 1878, but it has changed since then.

32,506. (*Mr. Channing.*) That map merely gives the areas actually under cultivation, I suppose; but could you give us the total amount of land suitable for wheat in the United States, and the amount which is actually under cultivation now?—Nobody can tell the total amount suitable. There is a vast area which is suitable in the north; and in the south a great area, notably in Virginia, which has been skinned under slavery, but which is now in the process of renovation.

32,507. You cannot give an approximate estimate of what remains to be developed?—No.

"Pan Handle" of Texas and Indian territory available for wheat.

32,508. (*Chairman.*) This district that you speak of in North Texas has only been discovered of late years, so to speak, or rather it has only just been discovered that it was suitable for wheat-growing?—That is so.

32,509. That alone would supply 30,000 square miles, which is equal, did you say, to the total area now under wheat?—No; it is half the area, the total area being 60,000 square miles; but with the additional counties close by over 60,000 square miles are available. Then, too, there is the Indian Territory north of Texas as yet practically unoccupied, which covers 50,000 square miles of the most fertile land in the country. We have but lately extinguished the Indian titles, and that is just beginning to be productive.

32,510. Wheat appears to be a crop which is grown when the land is first broken?—Yes.

32,511. For how long is it exclusively grown?—I suppose that depends upon the price.

Grain crop of United States.

32,512. Generally speaking, is it two or three years, or what?—I could not tell you. I can only point out to you that in 1873 our total grain crop of all kinds—maize, and wheat, and oats—was 1,538 million bushels; in 1883 it was 2,623 million bushels; in 1887, which was a short crop year, it was 2,660 million bushels; and in 1891, a year of great crops, it was 3,533 million bushels. The production of grain has grown up from an average of 32 or 33 bushels per head of population, to 56 or something like that, and keeps going on; but our corn crop—our maize crop, you call it—is our great crop. These figures I have taken from one of 30 tables of that kind which have just been published in a book by D. Appleton & Co. on the United States as a record of the progress of the last 50 years. It is rather an important book.

32,513. I see that this includes corn of all kinds?—Yes.

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32,514. Indian corn or maize, which is our great crop, wheat, rye, oats, barley, and buckwheat?—Yes.

32,515. (*Mr. Lambert.*) Is that book written by you?—I wrote the preface, that is all.

32,516. Who is the writer of it?—It is edited by Professor Shaler, and contains articles by many of the principal scientific men in the country.

Increase in wheat area in United States.

32,517. (*Chairman.*) May we take it that from 1873 to 1887, the latter being the date when you wrote that paper for the British Association, that the area under wheat cultivation in your country was continually increasing?—Yes.

32,518. In spite of he continual fall in prices?—It has increased, but moderately since 1887.

32,519. I mean up to 1887?—Up to 1887 there was a steady and constant increase; in the statistical abstract you will find that.

32,520. Showing that the lowering of prices did not affect the production?—Yes.

32,521. (*Mr. Chaplin.*) Since 1887?—Since 1887 the amount of land devoted to wheat has not, I think, considerably increased.

32,522. Latterly there has been a great decrease, has there not?—There has been a decrease in certain places, but an increase in others.

32,523. How is the balance?—I think the changes come very near to a balance; the abstract will tell you exactly. This addition of Texas is an important factor which has not yet been appreciated.

32,524. (*Chairman.*) Mr. Everett points out to me that this table in these statistical abstracts shows that the area of wheat under cultivation in the United States rose from 20 millions in 1872 to 32 millions in 1879 and to 37 or 38 millions in 1880, and that at that point it remained about stationary till about 1887?—Yes. The system of mixed farming has come in since then, and land which had been devoted to all wheat is now devoted to other crops.

32,525. From 1887 to the present time it has rather fallen?—If anything.

32,526. It rose to 38 millions in 1889, and it was at 38 millions in 1892, and it fell to 34 millions in 1893?—Yes, thereabouts, I should say.

32,527. Still it is not a considerable reduction?—Not a considerable change in area, but a great change to a better system of cultivation.

32,528. Therefore we may say that since the year 1880 the area of wheat under cultivation has been about maintained?—Substantially, and depending on the season rather than on the area. 1891 was the wonderful season for everything.

32,529. What has been the result on the condition of the producer, the farmer, in the neighbourhood during that time?—That opens a very big question.

Condition of farms and farm mortgages in Michigan.

32,530. I do not want to go minutely into it, but generally?—I can simply say that it became evident to me in 1885 that the balance of power had gone to the Mississippi Valley. That was a year subsequent to a year of some commercial depression, and the hue and cry then began about the ruin of the American farmer, and about his being overloaded with mortgages, and being taxed out of existence. I began my investigations in the State of Michigan through the Commissioner of Labour, a very intelligent man. Under the laws of Michigan, which was a wheat and corn growing state alike, a census of farm mortgages had been taken. The census was taken of about one half of the farms of Michigan, in point of number—90,803. Of that number 43,079 stated that their farms were mortgaged, a few refused to reply, and the rest stated that their farms were not mortgaged. The true value of the farms which were mortgaged was 100 million dollars, and the mortgage debt was 37½ million dollars, so that you could immediately imply that the farm mortgage of the State of Michigan did not come up to 25 per cent. of the true farm value of all the farms.

32,531. (*Mr. Everett.*) In what year was that?—I said 1885, but I see that this was in 1888.

32,532. (*Mr. Giffen.*) Whose valuation is the "true value"?—The valuation is made by the Commissioner on the basis of inquiries of the farmers themselves. The assessed value was somewhat less, but the general conclusion in Michigan was that the assessment was about 80 per cent. of the true value.

32,533. (*Mr. Chaplin.*) This is limited to Michigan, is it?—Yes, and will lead up to what I still further have to say. This gentleman, Mr. Heath, had the sense to ask many of these farmers where they came from, and how much money they had when they came into the State. There were 31,570 farms owned or occupied by men of foreign birth; a few of them said they had brought some money; 23,500 had none, and when they began they borrowed on mortgage. The amount of money which they all brought in together was about 4½ millions of dollars, and their mortgage debt at the time was about 11 millions, making 15,800,000 dollars of money not made on the farms. The assessed value of these specific farms was 52½ millions, and the true value was 62,672,000. It follows that these 31,570 foreigners, who came from Germany, Canada, England, Ireland, Holland, Scotland, and nearly every other country in the world, had accumulated a landed property of 50 million dollars, with their stock and tools in addition. That did not seem to me a very disastrous condition of the American farmers of Michigan, but the hue and cry went on from the so-called Populists and others that the American farmer was ruined and could not bear his mortgage, and they made application to the Congress of the United States for a special appropriation of one million dollars for the purpose of investigating the mortgages. That appropriation was made. Two of the most trusted men in the country were charged with the duty. You will bear in mind that in the United States every deed and every mortgage is registered, but the partial payments are not always discharged on the record. Therefore the record of mortgage is probably somewhat larger than the fact of mortgage. Every county register has been searched and all the data have been compiled—and they are more sure than census data usually are, because the results are absolute. They prove what I have stated to you, and what is given in the *Forum* article for May 1894 and in the address to the Chamber of Commerce of New York in April. In general terms they are to this effect—that more than one half the farms of the United States are entirely free of any mortgage; the other half are mortgaged for less than half their value. The total farm mortgage of the United States on occupied farms, treated distinctly and separately from suburban property and from speculative property, is less than 10 per cent. of the value of the occupied and improved farms, constituting about one sixth part of the area of the country.

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Farm mortgages in United States.

32,534. (*Chairman.*) Is this evidence confined to the Mississippi Valley?—This gives you the whole country.

32,535. Including the Eastern States as well?—Including the Eastern and the Western and all the States. In 22 specific States and territories which have been searched as a fair example of the whole, a special report has been made by the authorities of the census, and that I will give you. That proves that a fair statement may be made that over 60 per cent. of the farms of the Mississippi Valley are free of mortgage, and that the rest are mortgaged less than half their value.

32,536. (*Mr. Giffen.*) How far back did they search the registers to ascertain existing mortgages?—This was all done in one year—in the year 1889.

Liquidation of mortgages since 1889.

32,537. (*Chairman.*) Then up to 1889 there was no evidence to show that the farmers had suffered in any way from the low prices, because at all events their farms were only mortgaged to this small amount?—Since then I have addressed a circular letter to the Commissioners of Labour or to the Secretaries of State in every State, and I have secured returns on my own behalf from Michigan, from Minnesota (which is a great wheat State), from South Dakota, and from other great grain-growing States. Down to the end of the year 1892 the liquidation of mortgages continued, and it had not stopped, and the farmers were more independent in 1892 and free of mortgage than in 1889 and 1890.

Loans by bankers and mortgages.

32,538. (*Viscount Cobham.*) Do the farmers borrow largely from their bankers?—This brings out another singular fact. At the present time about one half the debt due on farm mortgage is due to citizens of the same States in which the farms are, and the debt to what you may call bankers or mortgage companies, is very small. They have not in the West such a system of banking as you comprehend.

32,539. The bankers do not lend money otherwise than upon mortgage?—No, not upon farms.

32,540. (*Chairman.*) A banker advancing money to a farmer would take a mortgage and register it, I presume?—Yes. The ordinary or commercial

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banking is done on commercial paper. The lending on mortgage is done by trust companies, by mortgage security companies, and by special organisations. For a long time—for 25 years—there was an enormous business and an extremely safe business in lending money on farms, but down about the year 1884-85 the farmers had become so independent that they would no longer pay the excessive rates which they had paid, and as the mortgage security companies, or a good many of them at least, could not get good farm mortgages, they went into speculative investments and came to grief. If you will investigate any of these farm mortgage companies that are now in process of liquidation you will find that the difficulty was not on the farm mortgages, but on the suburban property or some other security or insecurity entirely distinct and separate from a true farm.

32,541. I suppose the competition had brought down the rates of interest for the mortgages on farms, and the rate being insufficient to act as an inducement or to keep up their dividends, they then lent money upon other kinds of property of a more risky character?—Yes.

32,542. Your information goes down to 1892, I understand?—Yes.

32,543. Down to that date at all events there was no evidence that the farmers were in any difficulties at all, but the contrary?—They are the biggest creditor class in the United States, and the most independent.

32,544. The small amount of mortgages upon their farms would indicate that they were fairly well off?—The mortgage on the city of New York and the 10 adjacent counties is bigger than the entire farm mortgage of the whole of the United States.

Freeholds and tenant farming.

32,545. What is the proportion of these farms held as freeholds as compared with tenancies?—There is a very large amount in the South of what you may call tenant-farming, but it is more the metayer system. The negro takes land on shares, and he is slowly but surely becoming a landowner himself. But eliminating that, something less than 20 per cent. of the northern farms north of Mason and Dickson's line are worked by tenants, and tenant-farming is growing slowly but surely, not in the way of aggregating great masses of land for the purpose of getting rent as you have over here, but by the fact that the first settler has become prosperous and has got his property and his farm; he moves to the town and lets his farm to his son or to some of his hired men who have stood by him. In that way there is a slow increase of tenant farming. But under our Gavelkind system of divestment of land——

"Gavelkind" in United States.

32,546. (*Mr. Lambert.*) What is that?—Equal inheritance if there is no will.

32,547. (*Chairman.*) The custom is to divide, is it not?—The custom is to divide. The great farms are all being broken up, and the bigger farms are becoming lesser. You will find in this "Forum" article the exact data of the size of farms. The average is 137 acres. That average is much nearer the fact than such averages are apt to be, because the larger part of the farms are of moderate size.

Condition of American farmers up to 1892.

32,548. Then, as I have said, up to 1892, the condition of the farmers was such that there is no indication that they were in any way depressed?—Not the men who farmed with brains. Down to a certain date, anybody, whether he had had any experience or not, could, during a period of high prices, go out and break up a lot of land, plant it with corn or wheat, and almost pay for it with two or three years' crops. That is gone by. Moreover, the Government land has all been taken up, and it is fortunate that it is so, because as long as men could move over a great area and keep breaking up new soil and working virgin properties instead of cultivating, there was no security for a true system of farming. We are now on the way to a very much higher type of farming, and the man who farms with intelligence is just as sure of a good subsistence now as ever he was.

Effect of opening up of new wheat areas on farming in the Eastern States.

32,549. I suppose that this opening up of new districts by the increase of railways and the lower freights told against the farmers in the Eastern States?—They have diversified their crops. At a certain date in Western competition the wheat of Pennsylvania and New York States fell off in quantity, and came down to a certain point, but there it has been maintained. There is about as much wheat grown in and around Genesee County in New York State—formerly the great wheat centre—now as ever there was, but it is no longer a single crop; it is part of a great intensive system of farming grown in part for the straw and in part for the rotation.

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32,550. Has there been much reduction in the value of the farms in those States?—There has been a considerable reduction from the fancy rates of 1873. The Western competition was felt in New York and Pennsylvania and New Jersey much earlier than it was here.

32,551. Up to 1873 had there been a rise in price of the farms in those districts?—Yes, but at that time everything went up and we had what some have called a financial debauch.

32,552. Since 1873 in those States, owing to the competition of the North-western States, opened up by the railways and the reduction of freights and so forth, I believe the price has gone down for those farms?—The price of farm land in the East has gone down in some sections.

32,553. Could you give any indications what the reduction has been in percentage?—I could not. You can obtain the specific agricultural reports of the States, but I have not looked into that phase of the question.

32,554. You are now speaking of farms of Pennsylvania and New York?—Yes.

Farming in New England.

32,555. Going to New England, what has been the effect there?—As the Southerners say, we could not bread ourselves for a week in New England. It is not a true farm country. The agricultural product of New England on an intensive system of market gardening and dairy product. The value of the product of land in New England is greater in amount and greater in proportion than it ever was before, and, as I say, farming with brains and intelligence pays in New England. It pays some men whom I know from 6 to 8 per cent. on capital. I never trust great averages until I can verify them by individual cases, and I have lately sent out a circular of a rather peculiar kind which I knew would draw fire, to 1,500 farmers in different parts of the country, and I am getting in their replies. I did this partly in consequence of your request that I would come here. I have as yet received only 30 or 40, but they all go to sustain my position, only a little more so, both in New England and in every other State. Here they are; a lot of them came last night.

32,556. What is the general drift of them?—Shall I read you the one on top.

32,557. (*Mr. Lambert.*) Perhaps you could take the most typical?—It may astonish you. This is one. It is not typical, but exceptional. The man says that he was born in the town of Sherman, Sangamon County, Illinois, that is where Abraham Lincoln grew up under such squalid conditions as his life shows. "(*Q.*) Where were you "born? (*A.*) Near Mount Sterling, Kentucky. "(*Q.*) When? (*A.*) 23rd February 1828. (*Q.*) When "did you settle where you are? (*A.*) Was brought "here when a child. (*Q.*) How much land have you? "(*A.*) About 10,000 acres. (*Q.*) How did you become "possessor of it? (*A.*) Bought it at different times. "(*Q.*) Had you any previous experience as a farmer "when you settled on this land? (*A.*) None. "(*Q.*) Is the land saleable or has it been previously to "this year? (*A.*) It has been quite saleable. "(*Q.*) What have you to say about the rise or fall in "the value of land? (*A.*) Good corn land will "continue saleable. (*Q.*) How much money had you "when you settled there? (*A.*) None. (*Q.*) How "much did you borrow? (*A.*) 400 dollars. (*Q.*) On "what security did you borrow it? (*A.*) Mortgage on "first land bought. (*Q.*) What interest and commission did you pay? (*A.*) 10 per cent.; no "commission. (*Q.*) When did you pay your debt? "(*A.*) On or before the payments became due. (*Q.*) If "you own your land, your house, and your stock clear, "you may tell me what else you have laid up, if you "want to. I will not give you away? (*A.*) I don't owe "one dollar on my land, and am clear of incumbrance "of any kind. I owe on live stock about same amount "that I have at interest in different shapes. (*Q.*) How "many children have you? (*A.*) Five living and one "dead. (*Q.*) What do they do? (*A.*) Two daughters "are married to doctors. (*Q.*) Are they taking kindly "to the farm or not? (*A.*) Two young sons are "running large farms." Then he goes on to say he is

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worth about 800,000 dollars, and he does not think much of the depression of farming.

32,558. (*Chairman.*) You have had a great many answers of that kind, and your conclusion is that the farmers are fairly well off?—I have one here from Connecticut State, where a man says he is worth about 50,000 dols. Almost all the rest indicate substantial comfort or prosperity, varying, of course, in degree.

32,559. (*Mr. Lambert.*) Those are not typical I suppose. They are not all worth 800,000 dols.?—No; I took the first one on the top; but if you go through these as far as they go, and also some others I have, you will find, as I say, that there is no class of the community in the whole of the United States which is so thoroughly independent.

Effect of opening up of new wheat areas on farming in the United States.

32,560. (*Chairman.*) I was wanting to ask you just now what has been the effect upon farms in the Eastern States of this increased production in the Western States and of the reduced fares?—One of my neighbours at the seaside, one of the leading lawyers in Boston, inherited an old farm in New England which had been in the family 200 years. It was a very good farm. He hires a farmer, and happens to have found a first-rate man. He says it pays him 8 per cent. on the capital, and the farmer is worth 20,000 to 25,000 dols., which he has laid up.

32,561. That may be a single case, but, speaking normally, we have been generally under the impression that a great deal of land went out of cultivation in New England, or that the farms were very much reduced in value?—Those are the farms on the hills.

32,562. Did a considerable amount of land up in the hills go out of cultivation?—For the time being. Those farms were held by people who first settled, and were compelled to work and get their living as well as they could, under the most arduous conditions. Their children have gone off West, or else have come near to the railroads. I make no induction whatever from abandoned farms. Anyone who predicates disaster on such data will make a grave error. The abandonment of some of the poorer farms merely means progress in the art of farming.

32,563. You spoke just now of the increase of intensive cultivation as maintaining the aggregate production at what it was?—Yes, with an increase of aggregate product at lessening cost in New England as well as elsewhere.

32,564. I think you spoke of market garden cultivation?—Yes.

32,565. I presume from that you mean that in the neighbourhood of towns the cultivation has become much more intense, whereas in the districts remote from towns and up in the hills farms, in some cases, have proved impossible to cultivate?—Merely a few very remote ones, but the silo and the cheese factory and the butter factory, and the greater production of fertilisers is keeping up the farms.

32,566. I suppose in New England they have given up growing wheat to a large extent?—They never did it. There is hardly any wheat land in New England. We grow the best corn—I mean maize—and we still grow the yellow hard maize. We make some of the biggest crops per acre that are made in the country. We can beat the West all to pieces on the small areas of land in quality and quantity per acre.

32,567. The cultivation has become more intense in the neighbourhood of towns?—Yes.

32,568. And they have made up for the difficulties by co-operative efforts?—Yes. Then of late, since there was no more new land to be had for the asking in the West, and since the people who did settle have become desirous of better conditions, there has been a great improvement in New England agriculture. Men who had gained their experience in the West have come back and settled again on the old home farms.

32,569. Has farm land fallen in value very much in New England?—Yes, I should say it had.

32,570. How much should you say it had fallen? Could you give any average?—I could not give you any evidence of that.

32,571. But it has fallen in value?—There is one very peculiar thing about it. The good farm land in Massachusetts and Connecticut, at the same distance from Boston or New York as your county of Essex is from London, is worth more money than land in Essex. You cannot buy any really good farm land on or near a railway 50 miles from Boston, where they can produce cattle and eggs and vegetables, and so forth, for any such price as you can buy land within 40 or 50 miles of London.

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32,572. (*Mr. Lambert.*) What would be the price at which you could buy land there?—A good, well-improved New England farm would be 20*l.* an acre, but then, away from a railroad, it would be anywhere down to 10*s.*

32,573. (*Viscount Cobham.*) You are speaking of farms where you can practice dairy farming, are you not?—Yes.

32,574. You are not comparing with similar lands in Essex?—No. One of my acquaintances, who was a very large banker and mortgage dealer in the State of New York, was obliged to foreclose a very large number of farms in 1873, after the panic year, and they lay dead on his hands for a long time, until the silo came in. Then he converted them into beef factories, and they are all paying him a handsome profit, St. Lawrence County being a great grazing country.

Depression in the Western States.

32,575. (*Chairman.*) I do not know whether you have read the evidence given before this Commission by Mr. John Clay, junior, who speaks of there being considerable depression in the Western States at the present moment?—I have no doubt that there is a considerable depression at the present moment. We have had a paralysis of industry owing to the attack on our unit of value, and owing to the doubt that has been raised as to the stability of the standard.

32,576. You do not attribute any depression which exists then in any way to economic reasons?—I leave out this year from all consideration.

32,577. You do not think the immediate condition of this year, 1894, can be taken as at all a test?—It is no guide to anybody. The peculiar thing is this: that throughout this period of lowering prices we have had steadily advancing wages down to the early part of 1893.

Condition of the American farmer.

32,578. I was going to ask you about wages shortly. I wish now to confine you to the condition of the farmer. I propose to ask you some questions generally with regard to labour?—I have here these answers directly from farmers within the month as far as they go. Of course farmers are always grumbling, and many of these men are not exceptional; they are grumbling at the low prices, but the picture they show of their ability to stand low prices is quite another thing.

Financial crisis of 1893-94.

32,579. (*Mr. Chaplin.*) You wipe out 1894 I understand altogether, because of the doubt that was thrown upon the stability of the standard?—From the panic in April 1893 down to the present time, I do not think any data of any importance for permanent use can be established, except the immensity of the danger of tampering with the standard of value.

32,580. But that is not a new thing in America, is it; there has been a danger of that frequently, has there not; it is a subject that has been very often mooted for a good many years?—Yes, and there are some of the results shown on the chart I have here.

32,581. As regards this particular year you wipe out 1894 because of that reason, but what reason is there for wiping out 1894 more than previous years, when the question has been mooted and raised. (*Chairman.*) In point of fact there has been a financial crisis?—There has been a purely artificial crisis brought on by legislation. At the end of 1892 no country could possibly have been in a stronger financial position than the United States, and we had an apparent, or nearly a real, balance at the end of the year here in London of 42 millions sterling.

32,582. (*Mr. Chaplin.*) What are you now alluding to; is it the Sherman Act?—The Bland Act had long been in force, compelling the Treasury to buy 2,000,000 dollars' worth of silver bullion per month. Then came the Sherman Act increasing the purchase to 4,000,000 dollars per month. For a long time the notes issued for these purchases filled a gap in the circulation caused by the withdrawal of National Bank notes, but the danger of excess could be readily foreseen, although no exact date could be named when the danger would become apparent. When I was here in 1887 as a Commissioner of the Government to investigate the status of bimetallism, I told all your financial men not to think we should go to a single silver standard but the very reverse. I said "I told all your financial people:—We shall go to the

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"ragged edge; we shall go to the point of the silver "standard, and then the country will realise the danger, "whoever is then President, or whoever is in Con- "gress, the thing will be stopped. Whenever that "time comes—that the country realises the danger—the "silver purchases will be stopped; we shall have a "very sharp monetary crisis—not a commercial, but "a monetary crisis—and a paralysis of industry."

32,583. What was the date of the stoppage—I forget?—The panic came in in April 1893, and it came exactly as it had been foretold by every economist of any note in the whole of the United States, as well as by every banker and every student whose opinion was of value.

32,584. (*Chairman.*) Was the purport of the Act to establish silver as legal tender?—The inevitable tendency of the Act was to establish silver as the sole legal tender in use.

Effect of the Sherman Act.

32,585. I forget what was the effect of the Sherman Act?—We bought four million dollars' worth of bullion, and piled it away in the Treasury; up to a certain point we coined a part of it, then we piled the rest away as bullion.

32,586. (*Mr. Chaplin.*) You issued notes against it the same as the Bank of England?—We issued notes against it.

32,587. (*Chairman.*) The effect was to increase the currency on a silver basis?—We have increased the currency of the United States by the purchase of silver and we have incurred obligations to the extent of 500 million dollars in gold; those notes are circulating, and are convertible into gold on demand, directly or indirectly; therefore the silver is so much rubbish, and might as well be sunk in the ocean. Nobody wants it.

32,588. (*Mr. Chaplin.*) What does the convertibility into gold rest on?—All our United States notes are receivable for dues and taxes. One clause of the Sherman Act is itself imperative upon the Secretary of the Treasury, namely, that he shall maintain the two metals at a parity at their present ratio. The lawful unit of value is the dollar made of gold; therefore, it is the imperative duty of the Secretary of the Treasury to maintain every note or obligation of the Government at a parity in gold at the present ratio, which is 16 to 1. When the panic came there arose a fear that this parity could not be maintained, and then President Cleveland took action to sustain our credit in a most effective way.

Repeal of Sherman Act.

32,589. (*Chairman.*) I do not want to pursue this topic very much further; I merely say that in pursuance of what you prophesied when the effect of the Act became apparent, the Legislature interfered again?—Yes, by the repeal of the Sherman Act.

32,590. And stopped it?—And stopped the panic.

32,591. When was that?—The Sherman Act was repealed in the summer of 1893.

32,592. (*Mr. Giffen.*) Was it not in August 1893 when the Act was repealed?—Yes, the panic began in April, and the Act was repealed in August. From April to August we had to invent all sorts of devices to meet temporary confusion in exchanges.

Effect of Sherman Act.

32,593. (*Chairman.*) Then the country, in your opinion, has not got over the effect of the Sherman Act yet?—No.

32,594. In your opinion, whatever depression exists at this moment is due to the effects of the Sherman Act?—Yes; and the efforts to coin silver without regard to other nations. But that is about done; that craze has gone by.

32,595. Do you think that is a sufficient explanation of any difficulty which the Western farmers may be under at this moment, quite irrespective of any economic causes due to the fall of prices, such as you have alluded to?—It must be so when you have a country stuffed with the elements of capital of every kind, and it does not move. What else can you have but paralysis?

32,596. (*Mr. Chaplin.*) To which do you attribute the difficulties of the farmers, to the passing of the Sherman Act or to the repeal of the Sherman Act?—To neither specifically. I attribute the present difficulties in the United States throughout, both with farmers and with everybody else, to the doubt of the stability of the currency induced by a long series of Acts known as the Bland Act and the Sherman Act, and the undertaking to get free coinage of silver without regard to other nations.

32,597. When you tell us that you attribute the difficulties to a long course of doubt produced by these things, what was it brought this suddenly to a crisis in 1893, and why did that long course of doubt have no effect before?—Up to that time we had borrowed a considerable amount of capital over here on a gold basis; and, of course, when there was a doubt about the stability of the gold unit of value, you began to send home a lot of stocks and bonds, and although our balance of merchandise traffic was greatly in our favour, you called upon us to pay up, and we did; but it depleted our reserves, and scared the community, and rendered the contraction of credits necessary. That you are doing now, I suppose; I should if I were over here.

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32,598. (*Chairman.*) Is the question of free coinage abandoned now in the United States?—It is not abandoned, but there is a new slang expression for it. It is a "back number": the craze for free coinage is about done. I suppose we shall have another big struggle over pure fiat money—paper. But I consider the free coinage question about settled until you move for a bimetallic treaty of legal tender. Everybody is a bimetallist in one sense.

32,599. (*Mr. Chaplin.*) In America?—Not in the sense in which you use it. I am a bimetallist or a trimetallist or quadrumetallist, but I do not believe in an Act of international legal tender which will give our debtors on our annual commerce the privilege of paying us in gold or silver, while we deprive ourselves of the choice. On our annual commerce we are the creditors of the world, and we want the best money we can get for what we have to sell, and we intend to have it in gold or its equivalent.

Bimetallism and political opinion in the United States.

32,600. Do you mean another fight when we propose it?—When you adopt it. If you should adopt bimetallism, as it is called; that is to say, if you should give up the single standard and adopt a bimetallic treaty of legal tender, then there will be a considerable fight on that issue on the other side; but until that time there will not be much of a contest.

32,601. Is it the case or not that both political parties in America rather favour the adoption of international bimetallism?—The mass of the people do not.

32,602. But as a matter of fact the political parties, are they not practically agreed upon that?—There is a good deal of playing politics on that question, *i.e.*, what we call playing politics.

32,603. You cannot answer the question?—I cannot answer the question.

32,604. You cannot say they are not?—I cannot say that the two political parties are not playing politics on what you call bimetallism, but that does not mean very much. Neither party will dare to debase the currency or to impair the present standard of value when the responsibility comes upon them.

32,605. (*Chairman.*) I think what has been done lately is that your country is abandoning the effort to adopt bimetallism itself and has reverted practically to a gold standard?—We have silver which has cost us an additional debt, 500,000,000 dollars piled away in the Treasury, and we think that is enough. We shall pay all notes and other obligations of the United States Government in gold, and what we shall do with that silver the Lord only knows.

Gold standard in the United States.

32,606. For the moment you have gone back practically to a gold standard?—We never left it since 1879, and never shall. We are the creditors of the world on the necessaries of life to an enormous extent. Whatever may be our small debt for capital borrowed in order to produce those necessaries of life yet on our annual commerce, we supply the food that you must have, and the cotton that you must have, and the oil that you must have; and so forth, and we can forego any import that we have a mind to. Consequently this year, when we have been foregoing imports on account of our tariff agitation, we have got a merchandise balance against the world of about 50,000,000 sterling, and an actual balance very near that point; a little less because there are some little elements of freight and so forth to be considered.

32,607. (*Mr. Everett.*) Which on an average is greatest, the value of your imports or the value of your exports?—Our exports are much the largest.

32,608. Is that a sign of a creditor nation?—It is a sign that we are creditors to you on a gold standard.

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We have sold you and others 250 million dollars' worth more of goods than we have bought of you in goods and we therefore have that amount at our credit to draw upon either for the payment of our debts for capital borrowed or for the import of gold whenever we want it.

32,609. (*Mr. Giffen.*) It may be used for the payment of debts?—It is now taken for the payment of debts, but I do not think you have a great many more bonds or obligations to send over from here; I should not think you have.

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32,610. (*Chairman.*) So far as your evidence has gone, your illustrations of the lower prices have been mainly drawn from the price of wheat?—Yes.

32,611. Have the same circumstances tended to produce a fall in the price of other commodities, especially of cotton, petroleum, and other exports of your country?—Yes.

32,612. Has there been a very large increase in the production of cotton during the last 20 years?—"Cheap cotton by free labour" has been justified notwithstanding the derision with which it was first received. The maximum ante-war crop, before slavery was abolished, was 4½ million bales, and now only an average crop is eight millions. There has been there the greatest economic change that ever affected a product of agriculture. Free labour is cheaper than slave labour. The great plantation is played out as a rule. The crop is the cash crop of the small farmer and the small grower, and it comes in from all quarters. Then we have now better tools. You could not trust a slave with anything but a nigger hoe, now they are using improved tools, cotton planters, and even in Texas a cotton picker, impossible as it seems. Then, too, they formerly wasted all the seed, and at the Atlanta Exhibition in 1880, of which I was the chief promoter, I told them that if we had had a cotton plant in the North producing seeds alone without lint, it would long before have been one of our most valuable crops. To-day the product of cotton seed oil is worth 30 million dollars, it was then less than a tenth of that sum and most of the seed was wasted.

32,613. Then may we take it that the same things which in your opinion have accounted for the decrease in the price of wheat have also affected the price of cotton, that is to say, the improved methods, the better condition of the labourers, and the small farmers in the Southern States, and the lower freights by railway and by sea?—Cotton farmers are more prosperous than they ever were before. They fortunately perhaps for themselves had rather a short crop two years before the panic, and could not get trusted very much; so they came into the panic on a cash basis, and it did not hurt the South so much as it did the North. They were better off than the North. I have the facts all here in these tables.

32,614. Then take the case of petroleum, which is another very large export of your country?—The way in which the Standard Oil Company has held its control of petroleum is by selling it constantly at lower and lower prices, and making more money out of it. Light is the cheapest factor in life that there is now, and the promoters of the Standard Oil Company have made immense fortunes out of it, they are making them still by improvements in their processes, and by lessening both cost and price.

32,615. By a continued reduction in price?—Yes, and there are vast improvements now pending.

32,616. Would you say that the lower price in petroleum has been due simply to the increased production?—To improvements in invention and in the applications of science.

Condition of labourers in United States.

32,617. Now, you have told us the condition of the farmers; what has been the condition of labourers as resulting from these lower prices?—Wages have constantly advanced, of course, subject to a little temporary fluctuation such as is occurring at the present time in respect to a very few branches of industry. If you date from 1860 you will see that the common labourer is getting absolutely higher wages. This runs on from an improvement, say of 50 per cent., on common labour to an improvement on the part of the skilled labourer of 75 or 80 per cent.

32,618. In money?—Either in money or in purchasing power.

Course of wages since 1850.

32,619. I should like now, in the first place, to take it in actual money. What has occurred in your country in the case of the money wages apart from what they can get for the money?—In the monumental volumes of the statistics of prices and wages which I had sent to you, and which were compiled under the order of the Senate by Commissioner Wright, all wages are given averaged and in particular. I have a table here showing the results. The change in the rate of wages is indicated by the green line. (*See Appendix.*) I have taken 1870 as a unit at one hundred. 1870 was the point on the whole of the highest gold prices, 1865 being the point of the highest paper prices in the United States. From 1850 the line of wages runs on the green nearly uniformly to 1860; then there is a little rise to 1865, when there was a sudden advance of paper wages in the War period; then there was a continuous advance to 1870, when the financial debauch had nearly culminated. Then came a long struggle to get back to specie payment, and from 1870 to 1880 wages declined a little; then they again began to advance.

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32,620. Apparently the money wages during that great rise were estimated in paper?—Yes.

32,621. Then you reverted to a gold standard?—Yes.

Course of wages and prices compared.

32,622. But one would have supposed that there would be a considerable fall in the money rate of wages due to the reversion to the gold standard?—The fall in wages was only during the period of the struggle to get back to a specie standard. After the specie standard was once established wages again began to advance, while prices continued to go down; therefore, wages are to-day, or were in 1890, within less than a fraction of one per cent. as high in gold as they were in paper in 1870. Now prices were affected much more, as they always are by the depreciation of the currency. This diagram shows the curve of prices in red. The prices of 212 commodities averaged according to their relative importance by Professor Falconer for the Senate Committee is the curve that I have chosen. If I had taken an average of all prices without regard to relative importance the change in prices would have been more conspicuous than it is here. But taking the prices of 212 articles on the average, according to their relative importance, the prices rise a little between 1850 and 1855. Then there is a slight fall to 1860. Then comes the inflation of the war, and up they jump to that high point—160·8 per cent. as compared to the unit of 100 in 1870. Much lower in 1850 and 1860 than in 1870.

32,623. That was prices in paper, and not in gold?—In paper, 1861 to 1879. That is the best example of the effect of impairing the standard of value that could possibly be given, because we had an advance in prices due to the war demand and due to all the abnormal conditions of that period. But wages did not advance in any proportion equal to prices; presently, when I come to the line of purchasing power, you will see that. The prices in 1865 were 160·8 per cent. Then the war ended, and down we went to 100 in 1870. How we ever got down without universal bankruptcy I do not know; I had some hard steering to do in the factories that I was in charge of, I know. Then the prices continued to go down till 1875, 1880, and 1885, and also lessened very slightly between 1885 and 1890.

32,624. In the later years that was in gold?—Yes. After January 1, 1879. In 1893 we come to fluctuations due to the impairment of the standard of value. From 1885 to 1892 inclusive the prices have been fairly stationary; there has not been much variation since then until 1893, except what would be due to seasons.

32,625. Then would you say that from 1885 to the present time, 1894, the last eight or nine years, prices have been very stable?—There has been very considerable stability until April 1893. I have established a multiple standard which I make a great use of. I ascertained what were the average quantities of the specific kinds of food required in a workman's family in New England at a cost of 1s. or 25 cents. a day. I then took those exact quantities of meat, flour, and so forth (I have got it all here), and adopted that as the food standard, which is half the cost of living. Then I took the average unit of the materials for clothing, cotton and woollen cloth, according to the average consumption, and then I took the average fuel and the average light, in all constituting about 70 per cent. of the total cost of living. Now using that multiple standard as a factor in the same way that the averages are used here, I got the same results. This purple line shows the purchasing power of wages from 1850 to 1892 inclusive.

32,626. Before we go to that I want to ask you one or two more questions upon the actual money prices?—

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I know what you are at. Taking the multiple standard in 1885, it was 30 cents a day, and in 1891 it was 29 cents a day, and between the two dates it did not vary much. I suppose to-day it is down to 28 or 27 cents, tested entirely under normal conditions.

32,627. Your diagram shows that from the date when the gold standard was reverted to prices have been continually going down?—And wages have been continually going up.

32,628. Wages not immediately after, but within a few years began to rise and to move inversely as the prices went down?—Yes.

32,629. Since 1885 prices have been very stable, but apparently wages have continued to rise somewhat?—They have continued to advance until the panic, 1893.

32,630. But not at any great rate?—No.

32,631. Your figures apparently do not go further than 1890?—No.

32,632. Is that the date of these inquiries that you have spoken of?—Yes; this is wholly an official table; in my private table I come down to 1892.

32,633. What is the result of that?—Substantially the same results are shown; 1891-92 was the most prosperous year for the workman in the United States that was ever known, and by workmen I mean 90 per cent. of all who are occupied for gain.

32,634. Between 1890 and 1892 were the prices maintained at about the same level, or did they fall further?—They did not vary 5 per cent.; they varied incidentally but not collectively.

32,635. But wages went up?—Wages went up.

32,636. When you spoke a little while ago of the fall in the price of wheat, that must be taken to have been exceptional, and especially with reference to wheat; the average of prices has been in your opinion since 1885 very stable?—Very stable.

32,637. Even accounting for wheat?—Yes, until the huge crop of 1891 marketed in 1892.

32,638. Notwithstanding that wheat has fallen considerably since that period, yet, even taking that into account, the average of prices has been very stable?—Yes. Wheat is only a pound of bread a day you know, and that does not count for much in a multiple standard.

32,639. We are speaking of the actual average of all articles?—The actual average of the necessaries of life in the proportion of their consumption has varied between 1885 and 1892 from 30 cents to possibly 28 cents.

32,640. Then this average is made up in proportion to the consumption?—Yes.

32,641. Wheat would not be a very important factor in that?—Not a very important factor.

32,642. You have made the average for the purpose of comparing it with the money rate of wages?—Of course when your monetary unit is jumping about, and nobody knows what it is, you must work on some other standard.

32,643. Do these lines on the diagram show the average of all labour?—Of all; this is official.

Condition of agricultural labourers.

32,644. Can you say what has been the effect upon agricultural labour?—Agricultural labour is higher than it ever was before, and even during the period of lack of employment, agricultural labourers were very much in demand; there has been no lack of employment for agricultural labour.

32,645. (*Mr. Giffen.*) Is that so now?—Yes, there is no unemployed agricultural labour. The unemployed are unwilling or incapable as to farm labour.

Suspension of special payments, 1861-79.

32,646. (*Mr. Lambert.*) What is your paper currency based on; what is the paper to be repayable in?—It was nominally repayable in gold, but during the suspension of specie payments, from 1861 to 1879, it took its rating in gold according to the confidence of the community that it would ultimately be paid.

32,647. I see. Ultimately it was to be paid in gold?—In 1865 it was subject to a depreciation of about 60 per cent. In 1879 it was redeemable in gold.

32,648. Then do we understand there was more paper issued than there was gold to balance it?—There was more paper issued than there was confidence to balance it. There was no gold in the country at that time; it was all gone from 1861 to about 1876.

32,649. (*Mr. Everett.*) Was not silver legal tender at that time?—No; the silver dollar was legal tender from 1865 to 1873; but it never was issued——

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32,650. It was legal tender without limit, and the Mint was freely open to coin all you pleased to take there?—Yes, but up to 1873, the moment a silver dollar was coined the broker took it up because he could send it to France and sell it for 102½ cents.

Purchasing power of wages.

32,651. (*Chairman.*) Will you now explain the purple line dealing with the purchasing power?—Yes, the purchasing power is the important point. The population of the United States rests upon agriculture; 44 per cent. are either farmers or farm labourers—probably 50 per cent., because a good many men who listed themselves as labourers were doubtless farm labourers. But if you add to the 44 per cent. those who are occupied in the flour mills and at the meat-packing establishments, and so forth, you will see that one-half of the occupation of the people of the United States rests directly upon agriculture. Then one-half the freight and more of all the railroads rests on agriculture; and so on. Then you come to from 10 to 11 per cent. in trade and transportation; about 20 to 22 per cent. in professional and personal service; and about 22 to 24 per cent. in manufacturing and mechanic arts. Those are averages all over the country. Now 90 per cent. of those people depend either upon wages or salaries or small earnings. There are not over 10 per cent. of prosperous people who can afford to lie back on their capital in any country, not even in the United States. 90 per cent. are in a sense dependent upon their daily earnings for their daily bread, with a small saving for hard times when they get old. Therefore, this factor, the purchasing power of wages, affects the great body of the community; and the capitalist, as he ought to, bears the brunt of the fluctuation. Now, coming to the purchasing power on the average of all wages, you will see that it fell from 1850 to 1855. In 1865, when wages went up, and prices went up also, the purchasing power went down. Then came the struggle for a return to specie payment.

32,652. The inflation of prices therefore, due to the paper money, caused the prices of the articles of consumption to rise and the money wages did not rise in the same proportion, and the labourer bore the whole burden?—The labourer bore the whole burden.

32,653. (*Mr. Lambert.*) Money wages fell, I understand?—The purchasing power of wages fell, but money wages rose a little, and the men who had the most confidence were cheated the most, just as it was with the currency in the revolutionary war, when the debtor chased the creditor all over the country in order to make him a legal tender.

32,654. (*Chairman.*) Which was another way of taxing the labourers for the purpose of carrying on the war?—Our legal tender Act of 1861 was a war measure for the purpose of collecting a forced loan, on that ground it may be justified. As a rule, in all history, legal tender Acts, born in fraud and nourished in corruption, have cheated everybody who have been forced to take a legal tender coin, which is not worth as much after it is melted as it is in coin. I want to get rid of the idea of legal tender. Now the purchasing power rose in 1870 to 100, and continued to rise to 152·7 per cent., in 1890 when prices went to 64·9 per cent. and wages to 99·1 per cent. Now, under the law of progress, the workmen, the working force who constitute 90 per cent. of the community, have in recent years been securing to their own use and enjoyment an increasing share of a constantly increasing product—that is as it ought to be—because during that period, in my own experience as a borrower for many years, interest on capital has gone down from a safe 8 per cent. in 1850 to a safe 4 per cent. at the present time. We never were accumulating capital so fast in the United States as we have been doing during the last five years. I have the figures here to prove it. I do not trust the figures of property. I trust the figures of insurance. The insurance against losses by fire in 1865 came to about 3,000,000,000: now it is 26,000,000,000 dollars; people do not insure property unless it is liable to be burnt up, and these figures show fairly well the increase of capital.

32,655. Your explanation of that diagram, as I understand it, is that the great cheapening of the cost of production, and the cheapening due to inventions, and to lower freights, and so forth, which have all resulted

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from inventions of various kinds, have improved the condition of the labourers?—Naturally.

32,656. Because the money wages have increased, and the purchasing power has increased relatively still more?—Naturally.

32,657. Prices have gone down, and the purchasing power has increased considerably, and the result has been therefore, that the labourer has obtained a larger share in the production than he formerly had?—That is the rule laid down years ago by Carey and Bastiat—"that in proportion to the increase of capital the share "falling to the capitalist is augmented absolutely but "diminished relatively, while the share falling to the "workman has increased both absolutely and relatively."

Proportion of labourers to population.

32,658. I think you said that the labourers formed 90 per cent. at least of the population?—Yes, in point of number.

Effects of improvements in production and transport on prices and wages.

32,659. These inventions and this increased production have been really for their benefit?—Yes. Here, for instance, I have the net registered tonnage through the St. Mary's Falls Canal, which is one of the elements in the reduction of price. The St. Mary's Falls Canal unites the great lakes. In 1873 the traffic was 1,200,000 tons, and in 1892 it was 10,647,000 tons, beating the Suez Canal by 25 per cent. Then, to take another table, in 1873 the production of pig-iron amounted to 2,868,000 tons; in 1892 it was 10,255,000 tons; in 1873 we made 222,000 tons of steel, and in 1892 we made a little short of five millions; those are not signs of depression. Then I have here the freight charge on the New York Central Road. Now the New York Central Road is a great wheat road. In 1865 the charge per ton per mile on the New York Central Road was three thirty-one one-hundredths cents per ton per mile.

32,660. (*Mr. Giffen.*) That was the paper price; was it not?—Yes. Then in 1892 it was seven-tenths of a cent per ton per mile. Here is a curious computation, if the New York Central Railroad could have charged during the last three years the same charge that it made from 1865 to 1869, it would have earned on its increased traffic 190,000,000 dollars more than it did, and the entire stock and bonds of the corporation are only 150,000,000 dollars. The reduction in the freight charge over the New York Central Railroad in the three years last past as compared with so recent a period as just before 1870 has benefited the community as a whole more than the entire stock involved; yet ignorant people denounce the New York Central Railroad and grudge the income that capital secures from it—but that is superficial, of no permanent importance.

32,661. (*Mr. Everett.*) Is that railroad mostly owned in America or is it owned by people outside of the country?—You own a good deal here I suppose. That is one of the Vanderbilt roads. It is pretty safe to pay up to 4 per cent., but it may not pay any more. I think all our railways must come down to an earning power of 4 or 5 per cent. on what they would now cost to construct.

32,662. (*Chairman.*) I think I may take it as the result of the evidence you have given so far, that you consider the cost of production has been so far reduced by science and invention as to make low prices and high wages the true complements of each other?—That is my conclusion. I have investigated a great many different specific articles, not only wheat but cotton, cotton fabrics, furniture, hardware, locomotive engines, and so on. For instance, I have here a table of the Baldwin Locomotive Works in Philadelphia. A typical engine of a certain size was sold by that establishment in 1865 for 24,000 dollars in paper; that same engine is now sold for 7,500 dollars in gold with a profit, and the workmen are earning more or as much in gold as they did in paper. I have investigated many arts, some affected by tariff and others entirely independent, and the rule is the same.

32,663. By high wages you mean not merely the money wages, but also the purchasing power, do you not?—Yes.

32,664. But you have shown us that money wages have increased and that the purchasing power has increased still more?—Yes.

32,665. I presume you would consider that if the low prices were due to the appreciation of gold, wages would have fallen in the same degree as other articles?—In the same general degree. There has been no uniform fall in prices; there has been a variable tendency to lower prices, but some articles have risen.

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32,666. But the main articles of consumption, the raw articles of manufacture, have all fallen in price, or nearly all?—Yes, so far as the principal articles of necessary consumption are concerned, they are articles that are moved on the average a long distance over railways in the United States, and very nearly the entire reduction in money price can be explained by the reduction in the railway charge alone without going any further.

Prices and the appreciation of gold.

32,667. Then may I also take it as your conclusion that the depreciation of prices is not due to the appreciation of gold, but to these various inventions that you have spoken of?—I even think that gold itself has depreciated since 1850. Uncle Sam as a concrete individual can produce nearly twice as much to-day in less hours of labour than he could in 1850, and there ought to have been a reduction of 50 per cent. on that ground in prices as compared with 1850.

32,668. (*Mr. Giffen.*) You mean a rise of price, but you said depreciation of gold?—I am speaking now of evidence of what I consider a depreciation of gold, viz., given a certain amount of human energy applied to production in 1850—which would stand for a quantity of commodities represented by 100—a less amount of human energy applied to production at the present time stands for a quantity of commodities represented by 200, yet prices are about on the level of 1845 to 1850.

32,669. (*Mr. Chaplin.*) That is as compared with 1850?—Yes.

32,670. Do you say that since 1873 there has been no appreciation of gold?—Will you allow me to complete my statement before I answer that question.

32,671. Certainly, if you wish it?—I reason that if there had not been a depreciation of gold, prices would now be very much lower than in 1850; whereas, by any of the index numbers that you may choose, they were barely down to the standard of 1845-50 in 1892.

32,672. (*Mr. Giffen.*) What do you mean by the depreciation of gold in that sense?—I mean that gold has become so abundant that it has not only displaced silver as part of the bank reserves, but that it has actually lost part of its purchasing power as compared with 1850.

32,673. I do not quite understand the statement that gold has lost its purchasing power, because, if prices have fallen, its purchasing power has increased?—I mean to say that the prices have not fallen as much as the improvements of science and invention would have warranted you in expecting.

32,674. (*Chairman.*) Looking to the great improvements in cultivation and production, and to the inventions which have tended to lower the freight on goods, you would have supposed that prices would have fallen still more?—We might have expected that.

32,675. (*Mr. Chaplin.*) As compared still with 1850?—Yes.

32,676. (*Chairman.*) Comparing the present time with 1873, from which time these improvements mainly have taken place, do you consider that there is sufficient to account for the lower prices of articles of all kinds, without assuming that any portion of that low price is due to the appreciation of gold?—I have not yet been able to find an article of any conspicuous importance in which I could not directly identify improvements either in production or in distribution which would account for the reduction in price, without paying any regard to the alleged change in the ratio of gold and silver.

Appreciation of gold since 1873.

32,677. (*Mr. Chaplin.*) Are we to understand from the last answer that you are of opinion that there has been no appreciation of gold since 1873?—I can only answer that by taking this ground, that if you mean by that question whether or not gold will buy more commodities than it would in 1873, I answer, it will of most things; it will not buy as much coffee; it will buy but very little more meat; it will buy very little more dairy product in the United States; it will buy a good deal more grain; and it will buy a great deal more clothing.

32,678. (*Viscount Cobham.*) But it will buy less labour?—It will buy less labour—in other words, the workman can get more gold than he ever could before. Therefore it seems to me, dealing abstractly with the question, that there has been no appreciation of gold. I think that if there had been it would have found its

expression in a general and uniform reduction both of the prices of products and the wages of labour.

32,679. (*Mr. Giffen.*) You quite agree that the purchasing power of gold has increased?—Yes, in respect to goods—but the producer or employer cannot buy as much labour as he could in 1850.

32,680. Then if people use the phrase "appreciation of gold" as the equivalent of the increased purchasing power of gold, they are quite accurate in using that phrase?—Then they are quite accurate, but that use of of the phrase, to my mind, lacks definition.

32,681. Is that not the sense in which it was always used by economists prior to the discussions which we have had of late years?—Unquestionably.

32,682. Did not Adam Smith use it in that sense?—Unquestionably; and you have used it in that sense, and quite correctly.

Gold standard v. bimetallism.

32,683. (*Chairman.*) Then I presume I may take it that you are in favour of a single metallic standard, namely, that of gold?—I think a metallic standard on a gold basis forces itself in spite of all legislation; it is the only safety. I think even if there should be an international treaty of legal tender, that we should immediately contract ourselves out of it in the United States and draw all our drafts for so many grains or pennyweights of gold—that is, if you pervert the name of "pound sterling" from being a mere definition of 113 grains of gold. We would drop the use of the term pound sterling as a synonym for 113 grains of gold, and we would make our drafts for a given weight in terms of 100 grains or some other specific form which no act of legal tender could vitiate.

32,684. (*Mr. Chaplin.*) Who does "We" represent?—I am referring to the English as "You," and the Americans as "We." I mean to say if you allow the pound sterling to lose its abstract definition of 113 grains of gold we would cease to deal with you in pounds sterling, and we would draw our drafts for all our produce for 100 grains of gold or its equivalent.

32,685. (*Chairman.*) In other words, the gold standard would re-assert itself even if particular countries by their legislation were to endeavour to alter their own standard?—That is my judgment.

32,686. It is so convenient, I presume?—There is no malignant influence of legal tender in international commerce. You have aggregated to yourselves the banking of the world by a standard which is not variable; that is to say, all international commerce is adjusted to the pound sterling or to 113 grains of gold; and if that definition were lost, another one would be set up, and we should put our traffic on the new one without regard to the treaty.

32,687. In other words, the commerce of the world would arrange itself to some agreed-upon standard, irrespective of the legislation of any particular country?—The commerce of the world will not adjust itself to a privileged class of debtors who, by acts of legal tender, may be permitted to offer an alternate of gold or silver of which choice the creditor is deprived. We, being creditors to a very large extent, will immediately adopt some other standard than the pound sterling if that event should come. Then, as all our prices are adjusted to what we can export, we should of course remain on a gold basis, no matter what other people did. What idiots we should be to run the risk of any other standard.

32,688. Have you read Mr. Foxwell's evidence before this Commission?—I have glanced over it. I agreed with him on one point—that I am not an economist in the sense of being an abstract thinker. I deal in the observation of facts and I distrust abstract political economy; that is about the only point on which I did agree with him.

32,689. You do not profess, yourself, to be an economist in his sense?—No.

32,690. That is to say, a theorist?—Distinctly not—not an economist of the hypothetical or *à priori* type.

32,691. You take your stand upon facts?—Professor Foxwell and some of his associates indulge in hypothesis without much regard for facts. That is a kind of political economy that I do not take much stock in. I have often observed that academic economists who employ the deductive, hypothetical, or *à priori* method become very dogmatic, and when neither the facts of the present nor the economic or commercial history of the past sustain their opinions, they are very apt to charge those who differ with them with errors or "blunders in political economy." This is what has brought economic science somewhat into disrepute.

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32,692. You will observe from Mr. Foxwell's evidence that he considers low prices are due to the appreciation of gold?—Yes.

Effect of appreciation of gold.

32,693. And he considers that the appreciation of gold would necessarily lead to misfortunes of all kinds, to the injury of the working classes, to lesser production, and to reducing the condition of the labouring people; do you consider there are any facts which tend to bear out his theories?—I find that in the face of that, every productive industry in the United States has increased enormously and wages have risen. If that is disastrous I should like to continue on the same lines.

32,694. (*Mr. Chaplin.*) Every industry what——? I did not quite follow?—Every important branch of industry in the United States has increased entirely out of proportion to the increase in the population.

32,695. (*Chairman.*) I presume, therefore, you will say he is a theorist who has not compared results with his theory?—I observed that when you put questions to him about the effect on labour he did not seem to know much about it.

Views of American economists on bi-metallism.

32,696. What are the general views of the most distinguished economists in America and in the United States upon the subject?—Are you speaking now of what is commonly called bimetallism, which I prefer to designate as bi-legal tenderism? We have two rather conspicuous men of repute in the science of political economy—President Walker, of the Institute of Technology, and President Andrews, of Brown University, who accept it, but they have very little support. Most of the Harvard men are entirely the other way—President Eliott and John Fiske the historian, Professors Dunbar, Taussig, and McVane. At Yale you have against them very marked men of very marked ability—Sumner, Hadley, and Farnum. Outside of the professional economists you have Horace White, the managing editor of the *Evening Post*, whom I hold in higher repute almost than anybody, but who is seldom heard of by name because he is an impersonal editor. You have Carl Schurz, you have Hugh McCulloch, you have Seligmann and Richmond Smith of Columbia, Abraham S. Hewitt, David A. Wells, and others. As I have stated in my brief, we have a little economy club, and although I am not an economist, they permit me to be a member. It consists of about 40 people—men who are assumed to have done something in the progress of monetary and economic science. I lately sent round a privately printed inquiry to them in the form of a pamphlet, to see how much support Presidents Walker and Andrews had, and I did not find but two out of the 40. They did not all answer, but they wanted to know why I would persist in putting our friends Walker and Andrews into a corner by putting questions to them which they could not answer. I have a copy of that little missive here, if you care to have it.

32,697. (*Mr. Chaplin.*) What was the missive you sent round?—I privately printed a pamphlet in which I described myself as the missing link between the professed economists and the business public, and I desired to get the definite answers to some of the questions such as have been put to me to-day. But I could not get them from the so-called bimetallists.

32,698. (*Chairman.*) I put the question to you because Professor Foxwell appeared to be under the impression that the weight of authority of economists in the United States was in favour of bimetallism?—I differ with him wholly.

32,699. In your opinion the weight is very strongly the other way?—The weight is very strongly the other way of those who are held in repute as professional masters of economic science; among bankers and business men there is very little support for an alternate legal tender.

32,700. (*Mr. Chaplin.*) May I ask if you would tell us the name of the pamphlet—was it this: "Some "Suggestions on Methods of Investigation in Monetary "Science"?—Yes, that is it.

Condition of farmers in purely wheat growing States.

32,701. (*Viscount Cobham.*) Can you give us some information as to the state of farmers in the purely wheat-growing countries of the States?—Purely wheat-growing is about done.

32,702. What States do you consider come under that definition?—The land occupied in North Dakota is still

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to a considerable extent devoted to all wheat, and the farmers are not prospering so much as others, but in South Dakota and in Minnesota, in Michigan, in Iowa, in Nebraska mixed farming taking the place of sole wheat is prospering.

32,703. Then the all-wheat industry is really confined to a very small surface of the States?—To a small and lessening portion. This new country in Texas is for the moment an all-wheat section, but it is a very fine region for fruit, and will be a great grape-growing country as well.

32,704. Are the farmers who produce nothing but wheat in Texas doing well?—They began five years ago, and as they are turning out nine or ten million bushels, I suppose they must be making money out of it, or they would not be increasing the product so rapidly.

32,705. Is that prosperity owing to the special adaptability of the soil for wheat-growing there?—Yes.

32,706. Do you agree with the evidence we have had here that in the purely wheat-growing districts there is depression and almost an abandonment of the industry?—Not an abandonment of the industry where they can add something to the wheat——

32,707. In Northern Dakota?—In Northern Dakota, where it is rather cold, they are going into stock-raising to some extent. I think you would really get a better answer to that question if I were to read to you a report from the Commissioner of Labour of the State of Minnesota; it is not very long.

32,708. We have heard that in Minnesota there is as much depression as in the Dakotas?—I think that is entirely erroneous. If you desire to know what quality of man this man is, Major Craigie can tell you. He met him at the meeting of the International Statistical Society at Chicago, and he is a man upon whom I think implicit reliance may be placed. It will not take me long to read this, if you desire. I think this will be the most complete answer I can give you; it concurs with my own investigations in every other direction.

Farm mortgages in Minnesota.

32,709. Then read it, if you please?—This relates especially to mortgages: "With this I send you a copy "of my last report, giving in detail many of the facts "requested about farm mortgages. The subject of "farm mortgages is treated in that report from pages "355 to 419. The two maps show the general changes "of ten years. In the detailed statistics of Mower "county for over 20 years you will note what I call "the old normal of mortgage foreclosure, the fore-"closure that years ago went with wheat-farming. In "those for Polk county you will find repeated the same "story for the present, with this exception—Polk, "Marshall, and the other counties in the black belt of "1891 are not uniformly as fertile as Mower and the "counties in the black belt of 10 years earlier. The "good wheat lands of the Red River valley are about "the same as those of Southern Minnesota. The very "heavy foreclosures in the wheat region comes in "townships where the soil is light. *See* map of Polk "county. For the changes in the State by sections for "10 years, and also the details of the changes in fore-"closures as related to changes in wheat-raising and "mixed husbandry, *see* pages 370-372." "Of statistics "for 1892 and 1893 we have progressed far enough to "indicate the following facts. For the State as a whole "there will be a marked decrease in foreclosures on "legitimate farm property. This is true in general "of all parts of the State. All of those black on the "map of 1891 will, with few exceptions, show an im-"provement in the two later years. Of those showing "a foreclosure ratio less than one in 100 of assessed "land in 1891, there will be no very marked change. "Of the good counties like Freeborn, which showed a "much higher ratio, those in the old settled counties "will record a decrease quite marked. I here refer "to counties with a ratio of from 200 to 300 acres of "assessed land to one acre foreclosed. Thus Blue "Earth, with a magnificent record in 1891, makes "about the same showing in 1892 and 1893, while "Freeborn reduces its farm foreclosures from 18,824 "dollars in 1891, to 2,258 dollars in 1892, and thus far "two foreclosures in 1893 amounting to 4,718 dollars. "I have calculated the per-centage of mortgage debt "in force foreclosed in groups 1 and 4, which are men-"tioned on page 370 of the report." I ought not to have attempted to read this. This is not the one I refer to. He concludes: "The figures of mortgage fore-"closures for the present are, as shown before, 80 per "cent. better than 10 years ago."

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32,710. (*Mr. Chaplin.*) That is this year, is it?—That is this year, 1894. "The newer counties are thus, even "with their greater burden of debt and foreclosure, "better off than the most favoured portion of the State "10 years ago."

32,711. (*Viscount Cobham.*) What is the effect of foreclosure upon a farm as a rule?—Sometimes the farmer goes on——

32,712. The farm, not the farmer; is the farm generally abandoned in such a case?—No. It is generally apt to be the case that the man who first owned it had not the necessary aptitude, and the mortgage companies, down to a very recent period, on true farms generally made a profit on their foreclosures. With true farms they held until somebody else came along who knew how to run the farm. Then they resold it to him, and down to within a year or two almost all the true farm mortgage companies had made a profit on their foreclosures.

32,713. You are speaking of lands where mixed cultivation is possible, are you not?—Yes.

Wheat growing in the north-west.

32,714. But where it is not possible a good deal of land is going out of cultivation?—Here is what I wanted to read you: "The exclusive wheat-farmer of "the north-west has no work to perform for more "than from two to three months a year. He is "absolutely idle for from nine to ten months. "Diversified farming employs the farmer 12 months "a year. The latter farmer can and will raise wheat "with profit at prices which will drive the single-crop "farmer to the wall. This fact has led to diversified "farming and prosperity in Southern Minnesota and "Iowa, and it will lead—is rapidly leading—to this "change in Northern Minnesota and the Dakotas. "Wheat can and will be raised at continually decreas-"ing prices in the north-west, and with increasing "profit, and the British farmer might as well know it "first as last." That is written by one of the best judges I know in the whole States.

32,715. (*Mr. Chaplin.*) That will be in conjunction with various farming, I understand?—That is with various farming.

32,716. Under those circumstances the wheat will be raised at a profit, even at lessened prices?—Even with lessening prices. One of the letters I have just read is dated 1893. I have other similar letters from Nebraska. Here is a letter from the Bureau of Industrial Statistics of Lincoln, Nebraska. "The single-crop "system will be a thing of the past; they are going "into diversified farming."

32,717. (*Viscount Cobham.*) Is the land which is susceptible only of the single-crop system of an insignificant amount?—Merely in the very coldest part, and even there they can raise stock, as they do in Manitoba.

Effect of discovery of Florida phosphates on American agriculture.

32,718-19. Have all wheat farmers been more affected by the fall in prices or by the exhaustion of the land?—Not much by the exhaustion of the land in those great prairies. I want to call your attention to one of the most important factors in our agriculture, and that is the discovery of unlimited deposits of phosphates. Phosphoric acid and phosphate of lime for all time are assured by the discovery of the Florida phosphates, which can be produced at three dollars a ton at the mines.

32,720. Are they being brought into the prairies?—They are carried all over the country.

Nitrification of the soil by the pea vine.

32,721. And applied to wheat-growing land?—Yes. Then there is another development which I regard as a most notable factor, not so much in the extreme north as in the middle section and in the south. That is the function of the leguminous plants in attracting bacteria from the atmosphere, who dissociate the nitrogen and renovate the soil. They are now inoculating the soil with the right kind of bacteria to assure the growth of pea and bean vines which will renovate the soil.

32,722. Do you mean fresh virgin soils, or soils which have been previously used?—Soils of the south especially. As Governor Wise of Virginia put it, under the old system "the niggers skinned the land, and the white man skinned the niggers"; and they have blasted a great deal of the southern soil by skinning it. Now the new farming of the south is known as pea-vine farming. These farmers take up these exhausted lands which the old planters have left, whose sons

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have either gone west or have gone to a better place, and renovate the land with leguminous plants, which the latest discoveries in Germany and in America indicate as deriving their nitrogen from the atmosphere by way of the myriads of microbes.

32,723. (*Mr. Channing.*) Is this being done experimentally under the Agricultural Department?—This is being done experimentally under the Agricultural Department, and practically for years throughout the south without their knowing the science of it. The pea-vine farmer is a well-known man, and he renovates his soil in this way.

32,724. (*Mr. Lambert.*) Does he sow the pea-vine?—He sows the pea-vine.

32,725. (*Mr. Everett.*) Do you mean ordinary peas?—There are 300 varieties of them, more or less. There is the cow pea-vine; the pea-nut is one variety; buckwheat is one, the alfalfa is another, and clover is another. These are all legumes. The latest investigation shows that between the stalk and the root there are little appendages, and in those little appendages dwell the bacteria; living and dying within that class of plants they dissociate the atmosphere, and convert the nitrogen to the plant's use. Then you turn the plant under, and you have renovated your soil. That is going on all over the south.

Florida phosphates.

32,726. (*Mr. Lambert.*) Would it not be cheaper to renovate their soil by the Florida phosphates at 3 dollars a ton?—The Florida phosphates do not give one element to the soil that is needed, which is nitrogen.

32,727. Could you give an analysis of the Florida phosphates, and tell how much per cent. of phosphates they contain?—They vary from 60 to 80 per cent.; they are richer than the South Carolina phosphates, and the quantity is endless.

Nitrification of the soil by the pea vine.

32,728. (*Viscount Cobham.*) Has this amelioration of the soil been proved by statistics?—No, not by many statistics, because they did not know until within five years how it came about. There has been a long investigation, as you probably know, by our Professor Atwater, Professor Koenig, and others in Germany, and your Lawes and Gilbert, as to whether it was possible for a plant to derive nitrogen from the atmosphere; now it is proved that by way of animal or bacterial life the plants do get it.

32,729. As a matter of fact the production of the soil has been largely increased?—As a matter of fact, the pea-vine is renovating the exhausted soil of the south without much expense.

32,730. Is wheat a necessary element in the rotation that is being adopted on mixed farms?—It is not a necessary element, but an expedient one for the sake of the straw and for the sake of the bread; and because wheat is an absolute cash crop in the west like cotton in the south.

32,731. (*Chairman.*) One word more about this pea-vine; is it simply sown, and then when it grows is it ploughed into the soil?—It is ploughed under.

32,732. Do they feed it?—Yes, they do feed the vines, and also the peas to a certain extent; but the peas are just as dangerous a food as your horse beans are. If you feed to excess, you affect the kidneys; the peas are only used as a mixed food.

32,733. The main object, then, is to plough it into the soil?—The main object is to plough the vines under. Then there is our pea-nut, which you know over here to a certain extent; and which we know over there whenever anybody goes to the circus. The pea-nut will produce 30 to 60 bushels of nuts to the acre, and one to two tons of fodder besides, which is equal to clover in its nitrogenous value. The nut yields 50 per cent. of oil, and is the oil of China. The pea-nut meal is now becoming one of the richest nitrogenous foods for cattle, but it has to be used with discretion. I venture to forecast as great a development of pea-nut oil and meal as I did of cotton-seed oil 20 years ago. The production of pea-nuts in Africa is very large; they are taken from Senegambia to Marseilles in France. The production of pea-nut oil is something enormous, and the oil is very fine. We have had a test, in one of the swell New York clubs, of pea-nut oil flavoured with olive, as against pure olive oil—no, I think that was cotton-seed oil—pea-nut oil has a flavour; it was cotton-seed oil flavoured with olive.

Wheat growing on mixed farms.

32,734. (*Viscount Cobham.*) There is always a certain amount of wheat produced by these mixed farms for home consumption of course?—For home consumption and for straw.

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32,735. Then the question of growing more wheat upon them would be a matter of the price to be obtained here?—It would be a matter of price, and the price would be fixed here.

32,736. It is no longer a case that wheat must be grown and must be sold, whatever the price?—No, very few farmers depend wholly on wheat.

Effect of English price of wheat on wheat growing in America.

32,737. Can you give us any idea what the price should be here to encourage the cultivation of wheat for export?—I have merely said that in my judgment 25*s.* a quarter will not stop it.

32,738. That is somewhere near the margin, is it?—Just as I said in 1879 that I thought 34*s.* or 32*s.* might be the mark, I should now say that 25*s.* might be the mark.

32,739. (*Chairman.*) Of that 25*s.* how much would go to the farmer and producer in, say, Minnesota?—About 50 cents. That is about 2*s.* a bushel. 25*s.* a quarter is practically 75 cents a bushel in gold, or 3*s.*; it costs 5*d.* to get it from Chicago here——

32,740. (*Mr. Lambert.*) 5*d.* a bushel?—Yes; 10 cents may bring it from Chicago—that is the lowest quotation I ever saw; that leaves 65 cents or 32½*d.* in Chicago, which leaves 15 cents between the farmer and Chicago, which is ample. I am very well satisfied as far as one may be by this kind of observation, being no farmer myself, that the production of wheat will not stop or be diminished as long as it brings 50 cents a bushel at the main centres in the north-west.

32,741. (*Chairman.*) Have you got any table showing for a series of years what the price to the producer has been?—No; I do not think you can get those.

32,742. Of course that is the true test?—That is the true test.

32,743. Of the depreciation of price?—Yes.

32,744. Any other depreciation, due to the cost of carriage and so forth, is irrelevant really; the true test is the price—depreciated price or otherwise—to the producer?—I have tried in vain to get that. Take South Dakota. Men went in there 50 miles from a railroad and began growing wheat, and sent it 50 miles to the nearest railroad, and then grew prosperous down to 1892. There are no end of retired farmers living in the towns and villages of South Dakota, who settled there 20 years ago under those conditions and have made themselves prosperous in the face of this decline. This is not theory; I have got the absolute evidence of it in this pile of documents.

American wheat farmers and English wheat farmers compared.

32,745. How does an average farmer in those districts compare with an average farmer in this country. Does he compare more with the labouring man or with the farmer?—There is where you need the man of observation and capacity to go out and study for himself. They lived a squalid, hard life 20 years ago.

32,746. (*Viscount Cobham.*) Throughout the Western States?—Throughout the Western States—even in the richest counties of Illinois—they were smothered in their own grease. Now they have good schools and they have made progress; the children are as different as can be. The whole standard of living is lifted and changed, and you will find every example, from that squalid, hard life of former days up to the farmer who lives in as comfortable a house as you or I do.

Effect of extensive cultivation on production.

32,747. (*Chairman.*) That man would, I presume, have a considerable acreage of land—500 or 600 acres, or 1,000 acres?—He may, or he may have but 160—the ordinary quarter section.

32,748. (*Viscount Cobham.*) I suppose we may infer from what you have been saying that the total amount of produce extracted from the soil will largely increase in the future?—The soil is no longer being treated exclusively as a mine.

32,749. Will the produce increase faster than the population?—No doubt.

32,750. So that, although the wheat may not be exported to such an extent as before, agricultural produce of one sort or another is bound to be exported?—We have not touched the potential—not touched it. Take the Indian Territory, to which the title of the Indians has just been extinguished by the Government; it is as large as Great Britain, and pretty much the whole of it is as good land as the best land in Great Britain. What can you say with that just before you? I do not want to brag, you know—I am not that sort of

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man; but the idea of anything like a scarcity, or of any population that you can conceive of in the next century bringing about conditions of scarcity in the three million square miles of the United States, is to my mind preposterous.

Cattle trade of the United States.

32,751. Are there any possibilities of extending your cattle trade?—It would depend on whether that or something else would pay better. I have tried in vain over and over again to get the cost of a pound of beef, or a bushel of wheat, or a pound of cotton, and never could. They choose what will pay best. Down in South-West Virginia is a little loop of blue grass country; that is all rotten limestone, on which the blue grass is indigenous, where there is the largest herd of shorthorn cattle registered that there is in the world. Nobody ever heard of it hardly until recently. They can produce beef at about 3 or 4 cents a pound, about 1½*d.* to 2*d.* live weight to the extent of the land, and the land is hardly occupied in the mountain valleys of the middle south.

32,752. Do you agree with what we have been told, that there has been a change for the worse in the quality of beef that has been produced?—I have not seen it at home, but there is a strange difference there. Our people are the most wasteful people in the world. I went into Leadenhall Market the day before yesterday, and I could buy sirloin from American beef for less than I pay for it for my Sunday roast, but when it came to the round and the coarser pieces the prices were double and treble. You use beef more sensibly than we do; we waste: we are the most wasteful people in the world.

Prospects of British farmers.

32,753 Generally speaking, have you considered the prospects of the British agriculturist?—I am only wondering what you are going to do about it?—I only look on with wonder when I go down into such a country as Devonshire.

32,755. Because they hold on at all?—Because they hold on to wheat. Why do they not raise market-stuff and supply this huge market with the variety that you import from Denmark and Holland and France, and everywhere else? That is what puzzles me. Why do not your British farmers adapt themselves, as our farmers do, to the changing conditions? Of course I have studied your land tenure. Your whole system of land ownership is so utterly different to ours that there is no point of comparison.

Interest on mortgages in the United States.

32,756. What interest do your farmers pay for the money they borrow at the present moment?—They are paying now from six to seven per cent., as against 10 to 15 per cent. 10 years ago, and borrowing of their own citizens instead of coming east and coming elsewhere. The averages are all given for every State in the census report on mortgages. In order to show you the completeness and thoroughness of that investigation, I wrote to headquarters and obtained the final figures, and here they are. If you want to be assured that no investigation could be more complete, you have only to refer these papers to Mr. Giffen and he will tell you.

Local burdens upon land in America.

32,757. Is it possible to give us in an answer the average amount of local burdens upon the occupier of land in the States?—It is not possible to give you that. It varies in every State and in every township.

32,758. Could you say between what amounts?—I cannot tell you. Our taxation in the aggregate, divided *per capita*—a very uncertain method—is the lowest in the world, and in its method of incidence it is in some respects the most oppressive. I could not answer that question with any definiteness. The taxes on agricultural land are very slight.

32,759. Both local and Imperial?—There is no Imperial tax.

32,760. None whatever?—None whatever. Our Imperial taxation is derived exclusively by indirect taxation, and is about 22*s.* a head. The revenue from whiskey and tobacco supports the National Government. The only need we have of any other revenue is to meet the diminishing burden of pensions and interest, and they will be all wiped out in the next 10 years.

32,761. (*Mr. Everett.*) Do you raise an excise duty as well as a customs duty?—Yes.

32,762. You raise a revenue both ways?—Yes. We pay the entire cost of the government of the United States and the interest on the debt to-day out of the revenue from excise and the tariff on spirits and tobacco.

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32,763. (*Mr. Dalton.*) How do you raise your taxation on land; so much an acre?—It is direct taxation on the valuation for local or municipal and State purposes.

32,764. On the valuation of the land?—On the valuation of the land by the town assessors.

32,765. You cannot say what it is in the £ at all, can you?—It would be impossible, because it would vary. The direct tax will vary in the same State and in the same neighbourhood according to the amount that each town may spend on roads and schools and all sorts of things.

32,766. Do you have any local taxation returns that we could examine?—They have made in the census of 1890 a desperate effort to get the local taxation, but it is not published yet.

Cost of production in the United States.

32,767. (*Sir Nigel Kingscote.*) I conclude from what you have told us that to produce crops now, especially in the Western States, is much more costly than it used to be, that is to say, they cannot raise the same amount without manuring?—In some places, not all.

32,768. You mentioned a farm which had been in one family's hands for 200 years. How long do you suppose the virginity of the soil lasted there?—I did not intend you to infer that the product cost more, because by an intelligent system of farming the farmer gets a bigger crop in proportion both to his labour and to his capital at lessening cost.

32,769. Merely by the way it is cultivated, not by the manuring?—In part by the way it is cultivated and in part by manuring.

32,770. But you do not think it costs more to raise the same crop now than it did many years ago?—No.

32,771. Will that apply to the Western States in the same way?—I think so. I think the cost of wheat, for instance, per unit of product has diminished as compared with all but the first crop on the sod. The first crop is the cheapest, because it only costs ploughing and planting.

32,772. I am taking it after some of the virginity of the soil has worn off: you said just now that they were finding manure and lime to put upon the land, which would increase the product—it must cost something to bring that?—Yes.

32,773. But still you think they would be able to continue to get the same produce at the same price?—I do. I think they have diminished the cost per unit of product by increasing the quantity produced for the amount of labour and the amount of capital involved.

Production of wheat in the Western States.

32,774. As regards wheat, do you think they will be able to produce the same quantity of wheat, or to increase it very largely in the Western States now that they are turning their farms into partly meat-raising farms as well as corn and wheat?—Yes. The old ranche systems have gone by.

32,775. You think there will be the same quantity of wheat produced?—Unquestionably.

32,776. If not more?—If not more; that has been the case, and I do not know why it should not continue to be.

32,777. (*Viscount Cobham.*) You say the straw has come into value; how is that?—At first it would not bear transportation by waggon. Now it is carried to the cities to use in the ordinary way, and then it is converted into paper or it is converted into strawboard for finishing the inside of houses; it is used for a great variety of purposes. It is made as hard as board by compression. Then again, in 1873, much of what we call the offal of the flour mill, that is the bran and the shorts and so forth, went into the river as waste. Now that is all saved, and is an important element to the miller.

32,778. (*Sir Nigel Kingscote.*) What becomes of the offal, that is the bran, in these very large mills?—It is all saved and distributed all over the country for cattle feed.

32,779. That used not to be the case?—It went into the river. It would not pay for saving a few years ago.

Rents of farms in the United States.

32,780. (*Mr. Giffen.*) I think you told us that about 20 per cent. of the farms north of Mason and Dixon's line are worked by tenant farmers?—Yes.

32,781. Could you give us some idea of the average rent which is paid by the tenant farmers in different

parts of the country?—I could not. I do not think any data have been secured by which you could get an average.

32,782. Are there any observations showing that?—I do not know of any observations; sometimes it is a share and sometimes it is money; it is a relation between the father and the children or the hired men.

32,783. I think it would be very interesting to us to know here what are the sort of rents which are paid by the farmers where tenant farmers do exist, so as to compare with rents in this country?—I could not tell you.

32,784. Do the landlords in the cases of these tenant farmers provide the buildings and all that sort of improvements which landlords in this country provide?—Not as a rule, I should say.

32,785. Would the tenant provide his own buildings?—Yes, and he as a rule becomes a tenant in the expectation of buying. We are all land-hungry, especially the Irish.

32,786. (*Mr. Chaplin.*) He is the tenant of the State, I suppose?—No.

32,787. Who is he the tenant of then—a large owner of land?—He is generally the tenant of the first owner; the man who took up the land. There is not yet a generation of landlords in our country.

Amount of mortgages on farms.

32,788. (*Mr. Giffen.*) Then with regard to mortgages. Your statement I think was, that not half the farms owned by farmers in the United States are mortgaged, and that of the less than half which are mortgaged, they are mortgaged for something less than half their value. I should like to ask you if you could give me an idea of the total amount of these mortgages, if anybody has put together the total amount?—I have a pile of papers here on that point, but I got them so lately that I have not had time to digest them for myself.

32,789. Perhaps you could just tell me the total amount, and the number of the mortgages. I wish to have some idea of the average mortgage?—I could give you that without any difficulty. The article which I wrote for the "Forum," and which was published in May, was based on very nearly complete returns; the complete returns are now here, and they justify all that part which was estimated. Therefore, disregarding small fractions, you may take this article as a final statement. In the first place you would like to know the average size of the farms probably.

Average size of farms.

32,790. That would be interesting?—Under 10 acres, 150,194; over 10 acres and under 20 acres, 265,550; over 20 and under 50 acres, 902,777; over 50 and under 100 acres, 1,121,485; over 100 and under 500 acres, 2,008,694; over 500 and under 1,000 acres, 84,395; and over 1,000 acres, 31,546.

32,791. Are those all the farms in the United States?—Yes.

32,792. Not merely those that are mortgaged?—Those are all the farms.

32,793. (*Mr. Chaplin.*) What is their acreage altogether?—That I will give you presently. There were 4,564,641 separate farms.

37,794. (*Mr. Giffen.*) That would include the tenant farms, I suppose?—That includes everything. They averaged 137 acres each, and that average, you will observe, is nearer to the fact than such great averages are apt to be. Now the total area, omitting Alaska, is 1,900,000,000 acres; one-third, or 623,218,619 acres, is occupied as farm property, and is assessed and valued under that title, and more than half of that one-third is free of any encumbrance of mortgage or otherwise.

32,795. (*Mr. Chaplin.*) How is the rest occupied?—The rest is either unoccupied or is occupied by towns and cities, or is in forest or pasture.

Valuation of farms in 1890 and estimated mortgages.

32,796. (*Mr. Giffen.*) What is the valuation of the 623 million acres?—The valuation of all the 4,564,641 farms in 1890, including the improvements, was 13,279,252,649 dollars, and the estimated mortgage by the authorities on that property, as near as they can make it out, was 1,009,148,431 dollars; which is only 8 per cent.

32,797. How much?—1,009,148,431 dollars on distinctive farms. That is 8 per cent., but I call it 10 per cent., because I want to allow a leeway so that nobody can take any exception. The mortgages in force on January 1st, 1880, were estimated to be 1,500 million dollars, and there have been executed since 12,000 million dollars, the total for the 10 years, including those at the beginning, being 13,500 million dollars on all landed property, including city and town lots. 7,500 million has been paid, leaving 6,000 million dollars in force in 1890, of which a little over 1,000 million was on true farms owned and worked by the owners.

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32,798. (*Mr. Chaplin.*) Are those mortgages that have been in force?—The mortgages which were in force on the 1st January 1880 were estimated at 1,500 million dollars.

32,799. That is more than all that are left now?—This is on all real estate, on all property.

32,800. Not only on these 623 million acres?—No.

32,801. Is this mortgage of 1,000 millions that you stated on the farms?—That is exclusively on farms.

32,802. Could you not tell us what were in force on those first?—That has not been separately analysed.

32,803. That has not been?—Not yet, unless it is in this great mass of paper that I have not really had time to deal with.

32,804. The 1,500 million dollars was in force on all property?—On all property.

32,805. Could you tell us what the valuation on all property is; we perhaps might get at it in that way?—No, I do not take much stock of those big valuations; they are somebody's shrewd guesses.

32,806. (*Mr. Dalton.*) These are capital valuations, of course?—These are capital valuations.

32,807. (*Mr. Giffen.*) I think your figure is 13,000 million dollars for the valuation of the 623 million acres?—Yes.

32,808. 13,000 million dollars, as near as possible, is 2,600 millions sterling?—Yes.

32,809. Therefore, the 623 million acres would give you a valuation of about 4*l.* 5*s.*, or something of that kind as the value of the farming property in the United States? (*Mr. Everett.*) There would be what stock they would have.—That would not include the stock.

32,810. (*Mr. Giffen.*) Then the mortgages upon these 623 million acres, or rather upon half the quantity—because you told us that half are not mortgaged at all—come to about 1,000 million dollars?—Yes.

Amount of mortgages on farms.

32,811. That is the existing amount?—That is the existing amount of mortgage on true farms as distinct from speculative acres and city and town property. In order to allow for contingencies, I call it 1,300 million dollars, that is 10 per cent.

32,812. Then as far as the remaining property is concerned, which you say is not subject to any mortgage at all, is there any part of it do you think that is not mortgaged, because there is hardly a surplus of value to mortgage of any kind?—Oh, no; it is because the people do not need to borrow; they are perfectly independent.

32,813. But would it not be the case to some extent that the land is so much on the border of cultivation that it has not got a price upon which you can borrow?—It is merely out in the arid lands of West Kansas and Western Nebraska, where a crop of speculative farm mortgage companies went out and promoted mortgaging, and pocketed the money, and then allowed the poor devils who had lent the money to foreclose, to get nothing for it. Farm mortgages were so profitable for a long time that the speculative farm mortgage company grew out of the legitimate one, and they did induce the people to go out and take up these arid lands, and thus promoted mortgaging, and then left the mortgagees to get out as they could.

Registration of mortgages.

32,814. I should like to ask you now, so that we may understand the subject better, in what way the facts are ascertained as to the existing mortgages; are the registers in the United States, of which you speak, registers of deeds merely, or are they registers of property by property?—They are registers of the deeds of all landed property. Every deed is recorded and every lien upon it is recorded, otherwise it can be attached.

32,815. Is there a page in a ledger for a particular property?—Yes

32,816. Or is there a mere record of the deeds one after the other? What is the practice?—In point of fact the record is the title. If I take a conveyance to a

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piece of land I put it on record, and after that it is of no consequence whether I lose the deed or not; that record is my title.

32,817. That is to say, there is a page in a ledger for each property?—There is a page in a ledger.

32,818. It is a register of titles that you have got, and not merely a registry of deeds?—It is a register of deeds, and unless my deed is put on the register on its proper page, somebody may attach that property and hold it against my deed.

32,819. So that in extracting the particulars as to existing mortgages, what the clerks who do it would have to do would be to go over it, page by page, and find out the number of the properties and what were mortgaged; it would be a simple process?—That is what they have done in this stupendous piece of statistical work.

32,820. That is what I wished to understand, whether that was the machinery or not?—That is what they have done under an appropriation of 1,000,000 dollars.

32,821. (*Mr. Everett.*) Is that all based upon the Government map of the country? Is that map the key to the whole of it?—It is not based on Government maps, except in part. In the Western States it was based only on the Government maps, but in the older States it was based on the original metes and bounds established by private surveys or occupancy under Indian titles. After the title is once on the register I can throw my deeds into the waste-paper box; of course you do not do that, but if we lose our deeds it does not matter.

32,822. I was wondering how they identified each particular piece of land which was referred to?—The conveyancers all have their maps, and at the registry there are maps The map may be recorded with the deed, and generally is, showing all the metes and bounds. The title rests on the registry, and not on the actual document except between the parties to each deed. An attaching creditor can hold land against an unrecorded deed or mortgage.

32,823. And the registry really rests upon a map—an official map I expect, on which the whole land is shown?—Practically it comes to that, although it did not originate in that.

32,824. (*Mr. Giffen.*) Is that universal in all the States?—It is universal in all the States. All these mortgages are taken from the record, and the only possible error is that the mortgage shows on the record larger than it really is because the partial payments may not be discharged on the record until the final payment is made.

Effect of paper money on wages and their purchasing power.

32,825. I just want to ask you one question about this diagram that you have been good enough to put in; that is, to call your attention to the lines between 1865 and 1870; that was a time when the paper money was becoming more valuable, was it not?—Yes.

32,826. And accordingly at that time you had a very rapid fall of paper prices?—Yes.

32,827. But at the same time instead of a fall of money wages, you had a rise of money wages between 1865 and 1870, and you had consequently a still greater increase in the purchasing power of wages?—Yes.

32,828. I suppose it would be the case that if you had not had that paper money at a great discount in those years, you might have had a certain rise of prices in gold going on, as I believe was going on, on this side of the water, and that the purchasing power of wages might also have been increasing?—It was.

32,829. That is a fair thing that we might calculate on having?—That is a fact.

32,830. Along with a rise of prices you might have a rise of money wages going on still more, and a rise of purchasing power?—Yes.

32,831. The increase of purchasing power does not merely belong to a period like what we had after 1873, when prices fell and money wages kept practically steady, but you may have an increase of purchasing power with prices of wages also rising?—Yes

Definition of "appreciation of gold."

32,832. You quite agree, I understand, that if people use the phrase "appreciation of gold" merely in the sense of a general fall of prices, that is really the fact which has taken place?—Yes.

32,833. You do not dispute that at all?—I do not dispute that.

32,834. When you refer to the fact of what you spoke of as a depreciation of gold since 1850, what you meant simply was that an ounce of gold did not command so much human labour now as it did in 1850—that is what you mean by the depreciation of gold in that sense?—That is what it practically comes to.

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32,835. It is quite true that the ounce of gold, even compared with 1850, does purchase more commodities on the average than it did?—Unquestionably.

32,836. You agree with all that?—Unquestionably.

Gambling in "options and futures."

32,837. (*Mr. Clay.*) We have had evidence here of the gambling in options and futures in the Chicago and New York Markets. Can you throw any light upon that subject?—I never could see that that had any special effect on the final price. I know more about cotton than I do about wheat.

32,838. It is wheat we are dealing with?—The same reasoning and the same logic apply to cotton as do to wheat. I have no doubt that the cotton crop brings more to the farmer than it ever would, except for what is called selling futures. It is very easy to demonstrate the fact that it does. I have a large cotton mill in my mind, using 150 bales of cotton a day, and making goods of which 60 per cent. are exported to Zanzibar, and to China, and to South America, and a large portion of the customers are in Manchester, England. Of course, the capital of the company is large, but it is not large enough to carry a six months' stock of cotton, all paid for without going into debt beyond the limit that the law will permit a corporation to do without rendering its directors personally liable for the debt. Therefore, the manager receiving an offer for 1,000 bales of drills, would immediately go into the market and see if he could cover with a future on cotton, the understanding being that the drills were to be made and delivered in the next six months. He would then go into the market and see if he could cover with a future on cotton and get out with a profit, and if he could he would take the order; whereas, if he is forbidden to buy the future, as he would under the proposed law, which is now resting between the House of Representatives and the Senate, he may not accept the order for the goods. Then the farmer would have no assurance of his final price on the cotton, and the farmer being in need of cash, and picking all his cotton between October and January, would have to shove it all into the market at once, and take the lowest price of the heaviest receipts; whereas, with the future sold, he gets the highest price that the market for the goods will bear.

32,839. But six months after the mill got the cotton?—That is arranged by banks and bankers.

32,840. In buying the wheat they are buying and selling an article that never did exist?—My dear sir, the cotton crop is sold ten times over.

32,841. The same as wheat?—The same as wheat. Almost all the gamblers come to grief. I never knew a man that did not stay in just the one step too long and come to grief. The future price of wheat shows that they must have lost. If you will send to Washington and get Rep. John De Witt Warner's speech on that Bill, you will have the whole glamour of the effect on price shown up.

32,842. (*Viscount Cobham.*) Do you mean the Bill for stopping this system of futures and options?—Yes. J. De Witt Warner is one of the most intelligent members for New York, and he just disposed of that whole matter.

32,843. (*Mr. Clay.*) What is your opinion of the Bill then? Is it on a sound basis? Will it stop the futures and options?—Warner's speech is in opposition to Hatch's Bill. I do not think the Bill will soon become a law.

32,844. (*Mr. Everett.*) Is that General Warner?—No, indeed, not; this is another man altogether, John De Witt Warner.

32,845. (*Mr. Dalton.*) Has the Bill been thrown out?—The Bill has passed the House of Representatives, but it will never pass the Senate.

32,846. (*Mr. Clay.*) Are you for or against the Bill?—Utterly against it. It will be the hardest thing on the farmer that ever occurred, because it will force him to take the lowest price of the season when he is obliged to send the wheat or cotton into the market in order to turn it into cash.

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32,847. The witness we had here had been in the trade and had gambled a little in options in Liverpool?—Did he make any money?

32,848. He said it lowered the price to the farmer 10*s.* a quarter, but you do not believe in that?—No, I do not.

32,849. (*Mr. Giffen.*) It looks a very large order to ascribe such an effect to such a cause?—It is simply absurd.

Liquidation of mortgages.

32,850. (*Mr. Clay.*) You were talking about the mortgages being largely cleared off the farms within these last few years; did that not take place before 1887?—Yes, but more rapidly since; pretty much all the farm land of the West has gone through the mortgage mill first or last—90 per cent. of the mortgages are executed for the purchase and improvement of the land.

32,851. When did the farmer begin to prosper and clear off the mortgages—what year would you fix upon?—I do not fix upon any; he began as soon as he began to work with intelligence. The average life of the farm mortgage is less than five years.

Condition of farmers in Iowa.

32,852. You were talking about Iowa. Are the farmers there getting prosperous?—Iowa is an exceedingly prosperous State. I have got a lot of letters from Iowa. They are all grumbling at the low prices, of course.

32,853. Have they been able to pay the mortgages off with the low prices?—Why have they not? Here are the statistics of Iowa if you want them.

32,854. Did the paying off of the mortgages beg in much before 1888?—The payments have been going on ever since Iowa was settled. The farmers mortgaged in order to get there and get settled, and then they began to pay, and they have been paying ever since. More than 60 per cent., I think, of the farms of Iowa are free of mortgage.

32,855. Are these reports that you have been referring to all authenticated Government reports?—Absolutely.

32,856. The reason I ask you that question is that I was across reporting upon a land company in Iowa in 1887, and I found a very different state of matters; but your reports refer to the present date?—Up to 1890.

32,857. Yes?—By that time I should suppose the best mortgages in Iowa would have been held by Iowa men, and the mortgage companies would have invested away off in the arid regions far West.

32,858. They were investing in the Emmett County and round about there?—I do not know where it is.

32,859. It is about 15 miles from Ennisburg, and round about that place?—Undoubtedly there are mortgages which have come to grief.

32,860. I am only telling you my experience there, that there were about 90 per cent. of men who could not pay the interest on the mortgages?—They must have been very badly selected.

32,861. They were a very good class of men?—I have here the whole story of Iowa from the records.

32,862. I thought, perhaps, you would refer to a date after that, you say the mortgages began to be cleared off in 1887?—Both before and since. It is a constant ebb and flow. The first settlers who go in and take up the land borrow the money to do so, they pay up, others follow. Many of the first settlers are now lending money to new-comers.

32,863. They take up the land in sections?—Yes, and then they borrow.

32,864. And build?—Yes, and they pay off those mortgages and another set comes in.

32,865. My experience was that the great bulk of them have not only not been able to pay off the mortgages, but they have not been able to pay the interest upon the mortgages; the first men have left the farms and let them to Danes and Swedes on the half-pay value system or on the cropping; are you aware that that is done?—I am aware that it is done in some very limited places.

32,866. Have you been across Iowa yourself?—Yes, I have been across Iowa myself.

32,867. Which part?—Up and down and across over. I went out into Iowa long ago on a special engine with Governor Grimes on the first railway across.

32,868. Do you know much about practical farming?—No, I am not a practical farmer, any more than I am an economist; I only go by these facts.

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32,869. I was struck by your facts, and I was especially struck when I compared them with the practical information that I had myself?—You can find unfortunate investments in mortgages in Iowa. The only thing that is difficult in such an investigation as this, is to fix your eye on the right point.

32,870. Another matter that makes me note my opinion is this—that the number of land companies paying little or no dividend for the money advanced on the mortgages shows and proves pretty clearly that the tenant, or the landlord, you may call him there, has not be able to meet these mortgages and interest?—Do you refer to some of the land mortgage companies that have come to grief?

32,871. Not exactly come to grief yet?—Well, that do not pay.

32,872. They have not been able to pay their dividends?—If you will look into the particulars I think you will find in nearly every instance that the mortgages that do not pay are on speculative city lands and suburban property.

32,873. No suburban property; they were right outside from the town. It was *bonâ fide* farming land, taken up with well-built houses, well-built steadings, roads, and everything—and well cultivated?—Just before I left New York I was talking with the manager of a mortgage company whose principal investments are out in that section. They are carefully managed and are large. They had had very slight foreclosures, and were collecting their interest, and making regular dividends right along. It is a question of selection and a question of management. More than 60 per cent. of the farms of Iowa are free of any mortgage whatever, I think.

32,874. Have they all been made free by the late prices they have been getting, 50 and 45 cents a bushel on wheat?—I mean to say that has been continuous, and down to the year 1893 it had not stopped; from 1891 to 1892 the liquidation of mortgages continued, and, as I said at the beginning, I do not take 1893 as a rule for anything.

32,875. You know that across that country you have many casualties. You have prairie fires, you know?—Yes.

32,876. Consuming all your produce and all the hay you have made in the 12 months?—Yes.

32,877. And you have blizzards, nearly blowing the roofs off your houses?—Yes.

32,878. Are these not very dangerous elements for a man to take a property, and get a mortgage on it, and expect to pay interest and live upon it?—Yes, but they are sporadic and isolated. Iowa is a very rich State.

Pan Handle of Texas and wheat growing.

32,879. It is very rich in blizzards, and, I believe, in prairie fires. Now, I will take you away down to the Pan Handle. You tell us that it is largely now getting into a wheat State?—Yes. How largely I do not know. I stated that they had turned out three years ago five million bushels, and they are now sending out a much larger amount.

32,880. Which counties do you refer to in the Pan Handle?—I do not know: I take the Pan Handle as a whole. It was held for grazing until lately, and they now find that they can raise wheat and fruit.

32,881. That is only where there is a supply of good water, for they have not rain enough for that?—They have 22 inches of rain a year in five years out of six. They have enough.

32,882. They are often troubled with severe drought, are they not?—One year in seven, they tell me.

32,883. In Kansas are they not troubled with severe droughts too?—That is an entirely different climate up in the Western Texas. The climate of the Pan Handle has a peculiar climate coming round from the Colorado. If you send to Washington to the Bureau on Climatology you will find that the Pan Handle of Texas has a very peculiar climate.

32,884. Has this wheat-growing been going on long?—Not in the Pan Handle. They began five or six years ago, I believe.

32,885. You spoke of the Pan Handle?—I said we had developed in the last five or six years a new wheat country which is promising, and that is the Pan Handle

of Texas. How far it is to go I do not attempt to testify, but beginning five or six years ago with no wheat at all, and with the idea that the land is only fit for grazing, they are now turning out a very appreciable quantity of wheat and increasing the crop every year.

32,886. You could not give the counties where that wheat is growing?—I could not, but presently I can. I have sent a lot of my letters down there. I know the men that have invested their money down there and are bringing out the wheat.

32,887. I know a property that was bought there of 300 thousand acres; it was bought at 1.25 dollars, and I thought it was bought cheap. I am very glad to hear that wheat-growing is going to take place. I think we had better reserve the property. We cannot get over 50 cents for it to-day—that does not look like increased prosperity in the Pan Handle?—Not very, but if you try to buy up an improved farm you will find it is another thing.

32,888. There are very few improved farms in the Pan Handle?—Very few.

32,889. I never saw anything like it, except a cowboy's hat or two?—There are very few.

32,890. You are really practically acquainted with the Pan Handle when you make these statements?—Not myself.

32,891. Then this information is derived from letters from different departments which you have got?—No; the information from the Pan Handle is from men that have gone down there and are operating as growers of wheat—it is direct from them; I do not take any average statements from anybody.

32,892. You positively have heard that the Pan Handle is a wheat-growing country?—It is practically known to almost everybody who deals in wheat.

32,893. Do you know near Fargo, where the wheat grows well—Dalrymple's large farm?—Yes.

Bonanza farming.

32,894. Has it been a profitable investment?—Down to a certain point it was, I understand, but I think that Bonanza farming, that large system of farming, is going out.

32,895. When was it a profitable concern; how many years ago?—I cannot tell you that.

32,896. In 1885?—I never had any great faith in that system.

32,897. Do you know what quantity of bushels per acre they could grow there?—No, it varied with the season.

32,898. Could you give me an average?—No.

32,899. Would you be astonished that they could not grow more than 9 or 10 bushels an acre?—I should not be at all surprised.

32,900. Do you know the district of Fargo at all?—I have been through it.

32,901. Is it a good wheat-growing place?—It is said to have been a good wheat-growing place, but I do not know particularly about it.

32,902. You think Dalrymple's farm was a profitable farm once for wheat-growing?—On that large and extensive scale, but only for a short period—that is the all-wheat system, which is going out.

32,903. Did it not ruin a man 8 or 10 years ago?—I think very likely some of the beginners.

32,904. So it had not been very profitable for him?—Very likely not to some of them. Others have adopted mixed farming and have thriven.

Interest on mortgages.

32,905. (*Mr. Dalton.*) The rate of interest on the mortgages I think you say is 6 per cent. or 7 per cent.?—It is so stated in the report I have here.

32,906. Is that the average rate of interest a man expects to get for an investment in the United States?—In this western section of the country; the safe rate in the east is not above 4 per cent., coming down to 3 per cent.

32,907. I was trying to get at the rent of the land; I see the valuation brings it out about 5*l.* an acre. Would it be right to take the rent at 6 per cent., or 7 per cent., or 4 per cent., or 5 per cent., on the valuation? What rate of interest would a man buying land expect to get on it?—I do not think it would be safe to buy land with the expectation of leasing it at any rent. The great bulk of the farming land of the United States is what you may call no-rent land. That is to say, it depends upon the man, not upon the capital. Investments in land for the purpose of getting rent would be utterly unsafe.

Average wages of agricultural labourer.

32,908. What would be the average wages of an agricultural labourer there?—They run from 16 to 20 dollars with board.

32,909. A month?—Yes. All those facts are in the statistical abstract, and you can get them to any extent.

32,910. (*Mr. Giffen.*) Is that for continuous employment throughout the year?—Yes, those are the men employed through the year. It is from 16 to 20 dollars with board for continuous employment, but they vary very much in different States.

32,911. (*Mr. Dalton.*) That would be very much higher than in England?—They are twice, three times, and four times as high as in England.

32,912. Therefore, although the rent there would be much lower, your labour bill would be much higher?—The labour bill is higher, but whether it is more effective or not you know best. I do not know how far you adopt machinery to the full extent that we do.

Cost of production of wheat.

32,913. (*Captain Owen Thomas.*) Does the wheat-growing land show any signs of exhaustion?—In some places it does, in other places it does not.

32,914. Is it not necessary to manure the land in order to produce the crop after a certain number of years?—In some places it is, and they are adopting the rotation system, and so renovating the soil to meet that contingency.

32,915. Would you say that the cost of production could be reduced further?—I never knew any art yet in which we have reached the lowest point of the cost of production. We have thought so a great many times. When copper was down to 13 cents, they thought they had got to the bottom line. Now they are making more money on copper at 9 cents than they ever did before. The moment the silver mines came into a natural market by Uncle Sam stopping the purchases, the managers all came to Chicago and set the machine shops going making new machinery for the silver mines so as to meet the lessening price and turn out the same quantity; they are likely to continue to do so as far as I can learn.

Home demand and price of wheat.

32,916. Is the home demand a factor in the regulation of the prices?—People eat what they want in the United States; I do not think price affects them much. It is a barrel of flour a year to each inhabitant, and a dollar or two difference on a barrel of flour affects only a small proportion of the people. The Irish will have the very finest wheat flour. They will not take anything else; they will not take the middlings, which are a great deal better and sweeter.

32,917. So the prices are really fixed here?—The price of the whole wheat crop is fixed here. The farmers are beginning to find that out; they are beginning to find that they are selling on a free trade basis and buying on a different one, and they do not like it.

The witness withdrew.

Adjourned to to-morrow at 12 o'clock.

Fifty-seventh Day.

Friday, 27th July 1894.

PRESENT:

The Right Hon. GEORGE JOHN SHAW-LEFEVRE, M.P., in the Chair.

Viscount Cobham.
The Right Hon. Baron Rendel.
The Right Hon. Henry Chaplin, M.P.
Sir Robert Nigel Fitzhardinge Kingscote, K.C.B.
Robert Giffen, Esq., C.B.
Charles Isaac Elton, Esq., Q.C.
Captain Owen Thomas.
Francis Allston Channing, Esq., M.P.
John Clay, Esq.
Cornelius Neale-Dalton, Esq., C.B.
Robert Lacey Everett, Esq., M.P.
John Gilmour, Esq.
George Lambert, Esq., M.P.
William Cutlack Little, Esq.
Walter Hume Long, Esq., M.P.
Charles Whitehead, Esq., F.L.S.

Herbert Lyon, Esq., *Secretary.*
R. F. Crawford, Esq., *Assistant Secretary.*

Mr. Edward Atkinson recalled and further examined.

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Railway rates on wheat west of Chicago.

32,918. (*Mr. Clay.*) I had the pleasure of putting some questions to you yesterday, about the price of wheat in America; could you tell me to begin with to-day what is the cost of the carriage of a bushel of wheat from Iowa to Chicago?—I do not know exactly what it is.

32,919. You do not know how much it costs per hundred miles on the American railways?—No. It was much more before 1887 than it is now. The general rates of traffic west of Chicago, have been in the last few years reduced to about the standard of rates that prevailed from Chicago to the east prior to that time; but I cannot give you the exact data. In the statistical abstract of the United States you will find exact information I think, on all those points.

32,920. You have come here equipped with a good deal of statistical evidence, and I should have thought you would have known what were the rates for carrying that produce to the east, so that we may compare the income of the western farmer in Iowa from the sale of his wheat in Chicago?—Do you think I can carry such a mass of statistics in my head? I refer you to the authorities—to the official reports and the statistical abstract of the United States. All I can say is that there has been a large reduction in the cost of carrying wheat from Iowa and other western points to Chicago since 1887 by a sort of the equalisation of the rates of traffic west of Chicago to a substantial adjustment with those east of Chicago.

32,921. But you have no idea what the rate for carrying wheat per 100 miles is?—I cannot give you it here; I could not be expected to remember all those exact details.

32,922. I cannot ask you to know more than you are able to know?—Of course, I cannot testify to exact details, but I refer you to the exact authorities where you can get that information without any difficulty.

32,923. I was wanting that information in order to calculate the charge which the landlord-tenant had to pay for the carriage of his wheat from his farm to Chicago. I see in to-day's paper that wheat is selling in Chicago at 50 cents a bushel?—I have excepted this year from all statistical considerations. There is undoubtedly a depression due to a paralysis of industry and a paralysis of railways, which I attribute to the tampering with the currency of the country.

32,924. Have you the rate to Chicago, or to New York, which would enable us to calculate the price of wheat at Chicago 12 months ago?—The last statement that I saw in the papers before I came away was that it cost a little under 10 cents a bushel from Chicago to Liverpool, and that is mostly for railway carriage, because I understand the steamers are almost taking wheat for ballast, but I cannot make the separation between the railroad charge and the shipping charge.

32,925. I am not asking you that question; I am asking you the question what was the price of wheat in 1893 in the Chicago market, at the Board of Trade there?—That I cannot inform you; it is in the neighbourhood of 50 cents a bushel, or from that up to 60, and it is fluctuating.

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Price of wheat in Chicago.

32,926. We have it in to-day's paper at any rate that wheat at Chicago is 50 cents a bushel, that is 2*s.* 1*d.*?—I think it very probable.

Average produce o wheat per acre.

32,927. You allowed yesterday that the average quantity of wheat grown in America was generally 9 or 10 bushels an acre?—I do not take any stock in that average at all, because that includes southern wheat production where they do not make over 5 or 6 bushels. As to the average per acre of the United States, I would caution you against placing any reliance upon any such estimate.

American statistics o agricultur

32,928. Then statistics in America are not to be at all times depended upon?—The statistics are as accurate as statistics can be, but I have learnt as a man of business never to trust great general statistics; if you do you are sure to fail. Our statistics of agriculture cover 3,000,000 square miles, varying in soil—climate and humidity—in race, colour, and condition of the labourers.

32,929. Do you trust implicitly those statistics which you were reading to us yesterday?—I do implicitly, because they were from absolute data, but I have observed that the man who conducts his business on the basis of statistics is pretty sure to fail unless he has judgment by which to qualify them.

32,930. Statistics as a rule are not to be at all times depended upon, then?—Statistics only lie when the liars make the statistics; but even true statistics must be qualified by judgment.

32,931. (*Chairman.*) What you distrust is averages drawn from them?—I distrust great averages, because I know there is a good deal of wheat grown in some of the Southern States in the old-fashioned skinning method, where the product is a few bushels to the acre; but I also know that the average of the great wheat producing States varies with the season, and is much higher than the average of the whole country.

Cost of growing and marke ing wheat in the United States.

32,932. (*Mr. Clay.*) What I have arrived at brings out the price of wheat at Chicago at 20*s.* 10*d.*; now you have to deduct from that (which I am sorry you cannot give us) the cost of carriage from the farmer's home to Chicago; then you have again to deduct the cost of seed and general labour, however cheaply it is done, still there is a certain amount of money to be deducted from that return per acre, you will allow, I presume?—Yes.

32,933. Then there is another important deduction which, perhaps, you and I do not agree upon fully; that is, the general mortgage which there is on the property?—Yes, when there is a mortgage.

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32,934. That land, as far as I can see, generally, will cost about 50 dollars an acre, that is, good growing wheat land would be 10*l.*, and at five per cent.—and you cannot get money at less than five per cent.—there would be 10*s.* off them for the mortgage?—I do not think the farmers of the West charge any rent on their land; what they get for it is their profit.

Mortgages in Iowa.

32,935. But still, the interest on the money is the rent, is it not?—In Iowa, 60 per cent. of the farmers or more are free of any mortgage whatever.

32,936. You and I differ upon that point?—I take the actual facts from the registry, and I have the proofs here.

32,937. I am going upon the actual facts which came to my knowledge when I visited Iowa, reporting for some land companies, when I found a very different state of matters; but we will agree to differ on that point?—We will agree to differ on that.

Cost of growing and marketing wheat in the United States.

32,938. If you take 10*s.* an acre for mortgages, which I put it at, and many of them are at that; then if you take the carriage which we cannot get at and you cannot give me a figure for it—I mean the carriage to Chicago per bushel of wheat——?—I do not know what it is, I only study wheat as an incidental crop of second-rate importance in our country.

32,939. But there is one thing you cannot dispute, the farmer must have seed and labour?—Yes.

32,940. What do you put down for seed and labour for cultivating an acre of wheat in America?—That depends on where you go. In California in the San Joachim valley, which sends by itself wheat to Liverpool, the average cost of ploughing, rolling, planting, harvesting, winnowing, and putting into bags on the farm of George S. Berry, San Joachim Valley, California, is less than 4*s.* an acre. It would be absurd for me to put that in as an average. That is the minimum. From that it runs up to a very much higher point, according to the intelligence and capital of the farmer.

32,941. Dealing with California, do you know the Merced Valley?—Yes, I know of it.

Farming in California.

32,942. I can speak from experience; I have been there, and we have a property there. We are not all confined to the wheat growing, but we have what you think is, and what I believe will be, in America, the most profitable method of farming, namely, mixed husbandry. We have wheat, we have barley, we have alfalfa; we are on 2,000 acres, and we run a herd of 10,000 cattle; with all these advantages, with buildings well equipped, and with capital of our own and no borrowed money, we have not been able these last three half years to pay one penny dividend. That does not look very prosperous, does it?—Not for the corporation; but I daresay an individual farmer next you has been growing rich all the time.

32,943. What is the difference between the individual farmer and the manager, who is perhaps as clever as he next door to him?—I have observed that corporations fail where individuals succeed. I think that is somewhat your experience with the limited companies of England.

32,944. We have one of the best men in California managing that property?—I daresay.

32,945. Do you think he would fail where another man would succeed?—Yes, he might.

32,946. Would it not be *vice versâ*, sometimes?—Yes. Your corporation will divide out its dividends when they ought to go back into the property; but your individual keeps improving his farm and makes money when the corporation fails.

32,947. If a man does not take large dividends and runs a farm up to A1 mark——?—I may say that I do not think it is judicious for me to discuss the minute points of wheat growing. I am not here to make a case, I am here at the request of your Chairman. I happened to forecast 34*s.* a quarter for wheat in 1880 as a profitable price to the American farmer at a time when your Commissioners, Messrs. Pell and Read, happend to report that the American farmer would stop at 40*s.* My forecast has been fully justified, and Messrs. Pell and Read now admit their profound error. I study the question as a general question, and I now forecast 25*s.* as the point at which we may stop. I shall be very glad to have you prove otherwise, but all I can do is to give you the general facts. I cannot go into the details of wheat cultivation.

32,948. You say that wheat selling at 50 cents per bushel in Chicago may pay the Western States farmer?—I think that this year is exceptional entirely. I have reports from Western farmers of their actual cost of wheat which put it at less than 25 cents a bushel, and I have reports from others putting it at 40 cents, and so on.

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Cost of growing wheat in Western States.

32,949. Do you think at that price he will pay off his mortgage and will do as you say, make money and be able to retire as you have told us some of them have?—I simply know that as a matter of fact the farmers of South Dakota beginning 20 years ago on nothing have paid off their mortgages, and have retired to the towns and cities in large numbers, and their sons and their hired men are carrying on their farms. I know that in North Dakota, where they are affected by droughts and cannot diversify their farming, they are now introducing a most important system of irrigation by artesian wells, of which a full report is here, and I will put it in if you like. Up to this point, in the face of declining prices, the farmers of the wheat growing States have paid their mortgages, the average life of the farm mortgage being less than five years, and they have prospered. The only inducement for me to come here to testify before you was that my vision of the future is the commercial union of the English-speaking people. If we can supply you with some of our foods it will be to our mutual benefit; if we cannot then your farmers may not be obliged to change their present old-fashioned methods.

32,950. Is it not the case that many of the first men that took up that land had to be foreclosed upon?—Yes, that is true. Many of the men who first took up that land had no previous experience in farming, and were incompetent. They have drifted off.

32,951. Is not the American farmer not only very extravagant as you say in the use of beef and mutton, but also in his management, in his treatment of his implements and all those things which he takes across the praries, and lets them lie there out in the open from one year's end to another. Is he not extravagant in these things also?—The half of them are the most wasteful people under the sun, and the other half are thoroughly intelligent and there is a survival of the fittest, and your great supply of wheat is coming from the survivals who are prospering to-day, barring this particular year. Before Mr. Chaplin cross-examines me I would like to put in some papers that you may or may not make use of, and I will take just five minutes to state the reason and then I will submit to the cross-examination until a quarter before 2, if desired. I have no case to make. I am neither interested in farming nor in farm mortgages, but as it seemed to me that there had been a great many statements made apparently before your Commission which I deem to be thoroughly erroneous and from which you might draw very false deductions, I very cheerfully assented to the request of your Chairman to come here and I am at your service entirely. I rather regard it as a good thing for the United States that you should be sending back to us our own securities. If I were an Englishman without very close relations with some trusty people in the United States, I should divest myself of all American securities until the question of our standard or unit of value is absolutely settled by law. I consider it settled, in fact, to-day and that we shall never surrender under any circumstances the gold unit of value, and I so stated when I was here as Commissioner for the Government in 1887. But you cannot be expected to believe that, and I think it would be better that under such conditions we should not owe a foreign debt, for it is interfering with the rate of exchange and destroying the normal conditions of exchange as it does now. On our merchandise traffic of the last year we have a large credit balance and yet you are sending home our securities and turning the rate of exchange against us. We are accumulating capital at an enormous rate in the United States, and I want to see the time when the United States become the creditor nation both on capital lent and on merchandise sold. Then we will be in a pretty strong position. I therefore appear by request. Now I will put in, if you will allow me, the analysis of 22 States, including Iowa, from the official documents (*see* Appendix). I will just submit one line. In regard to the farms of these 22 selected States complete, the conclusion is that $\frac{3}{10}$ per cent. of the farm families hire, but when you take out the south that is reduced to less than 20 per cent. $67\frac{7}{15}$ own their farms. $30\frac{32}{100}$ per cent. of the farm-owning families own subject to incumbrance. $69\frac{78}{100}$ per cent. own free of incumbrance. That includes the State

Official statistics of mortgages in 22 States.

Mr. E. Atkinson.
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of Iowa, it includes Wisconsin, and it includes some Southern States, I left the final report with Mr. Giffen yesterday and I will put that in if you care to have it. I have here the statistics of agriculture showing the number of farms, the valuation, the sizes, and the ownership (*see* Appendix). Here also are the statistics of manufactures, but I give you this caution on them, that that is where the census figures need to be qualified by judgment. There is an apparent enormous increase in the capital in manufactures during the last decade, but in the present census they have attempted to include the working capital, and in the last census they only included the plant. Therefore, so far as capital is concerned this has to be qualified, but so far as concerns the advance in wages taken from the books it proves a large advance in wages since 1880. Here is one of the figures of statistics which I always use but do not take much stock in. It shows the wealth of the United States computed in dollars. It is a shrewd guess, more or less near to the fact, but goes for what it is worth. The evidence of the increase of capital I find in my own profession of underwriter in the figures which I gave yesterday, which I believe were left here, in which the increase of property insured against loss by fire since 1865 is shown to be something enormous. I put in the trade balance of the United States for the year 1892 by which it appears that we sold to European countries 485 million dollars more than we bought. We had that credit in British gold with which to flood our country. We drew against it for our tropical produce and left a balance to our credit at the end of the year of 43 millions sterling, and we threw that away by free coinage devices and tampering with the currency. We now have a larger balance to our credit which we are expending for the enormous influx of American travellers and also for buying back our stocks and bonds in which you have perhaps a well-grounded distrust. The summary of the mortgage figures is contained in this address to the New York Chamber of Commerce who are not apt to publish at their own expense and circulate by thousands any documents that are not authentic or of authority. Here you will find the relative income and expenditure of the country for a series of years: that may be of interest. Then I put in the chart which I gave yesterday, and I put in the "Forum" article on the meaning of farm mortgage statistics. Now I shall lend to you with pleasure the evidence of farmers and the latest United States' statistics of mortgages for you to make such digest as you may see fit. I received last night another report, a most interesting one, from a farmer in Texas, a planter of South Carolina, who having gone through the war of the Rebellion, and having previously invested all his property in slaves came out of the civil war ruined; with a wife and family upon him. He moved to Texas where he raised cotton and corn, and brought up and educated his family, and who now states that he is worth a hundred thousand dollars made out of cotton and corn in the face of declining prices. I will put in also, if you care to have them, all these tables that I left you yesterday, and these additional tables; but they are in better form in the volume on the United States of America. My general conclusion is that we have to deal with what President Andrews of Brown University calls "a fatal fall in prices," which he proposes to stop by legislative measures in regard to the currency. When I undertook to investigate that fatal fall in prices, which of course has been vastly greater from the highest point of inflation in the United States in 1865 than it can have been in any European country, I found that ever since 1865, with a moderate increase of population, we have increased our grain crop rateably by nearly double; we have carried our steel product from nothing up to the largest product of the world. We have carried forward every crop; we have increased in every direction until, as I said, quoting from an old Hungarian friend, we are "smothered in our own grease" in trying to find an outside market for all our surplus. During that period I find that the wages of the workmen, who constitute 90 per cent. of the community, have steadily advanced until the skilful workman is twice as well off to-day as he was at the highest point in abundance of a poor kind of money, while the common labourer both on the farm and and in common work is 50 per cent. better off. Then I find that capital has accumulated so fast that in my own experience, whereas the fair average rate on industrial capital prior to 1860—and I have borrowed millions for manufacturing purposes—ranged from 7 to 8 per cent. on a safe basis, it is now 3 to 4 per cent., and the normal rate on capital in the United States free of taxation will be hereafter nearer to 3 per cent. than anything else. Therefore I find that we have a reduction in the rate of interest, an increased efficiency of capital, a vast increase of products, and a great rise in wages accompanying the so-called "fatal fall in prices." Therefore I desire to see that condition continued without tampering with the currency or attempting to interfere with the natural laws. All this we have done in spite of every possible stupidity of legislation both in regard to raising the revenue and in dealing with the financial system and the banking system of the country which anybody could possibly have committed. If we had not been stronger in our facts than in our intelligence we should have been ruined half a dozen times over. I have no case to make; I merely submit these facts for what they are worth (*the witness then handed in the documents mentioned in the answer*).

Wealth of the United States.

Fall in prices since 1865.

Rise in wages since 1865.

Accumulation of capital.

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32,952. (*Chairman.*) It is a very interesting statement that you have made to us and we are very much obliged to you. With reference to this paper entitled "The Multiple Standard," as I understand that is an estimate formed of the quantity of food and clothing required for an average man?—In order to establish that multiple standard I investigated the actual expenditure of a lot of new England mechanic's families.

Explanation of "The Multiple Standard," showing purchasing power of wages.

32,953. An average mechanic's family?—An average mechanic's family in New England—what they eat and drink and wear.

32,954. Then you have taken the aggregate for the year of the family, which is an average family composed of man, wife, and three children, I suppose?—Yes.

32,955. And their food and clothing; and then you have estimated the purchasing power of that, or rather the value of that in a dollar of gold?—Yes.

32,956. Then you show, in this table, that in 1850 it was 30 cents, but I do not quite see what you mean by 30 cents there?—I will explain it. At the time that this table was made—I forget the date, but I think it was in 1890—that quantity of things could be bought at the rate of 30 cents a day; in 1850 it was 30 cents a day; then it rose to 55·69 in 1865; in 1890 it had gone down again to 30 and it is probably about 28 to-day.

32,957. Then that table shows that if the money wages were the same in 1850 as they were in 1890 the purchasing power would also be the same?—It would not remain the same, because the wages being doubled or thereabouts.

32,958. The wages have doubled in money since?—Yes.

32,959. Therefore would you say that the average mechanic is twice as well off now as he was in 1850?—Yes, and as in 1865, more than twice as well off.

32,960. That is as in 1865, but not as in 1350?—The proportions are given in other tables as compared with 1850, but I take 1865 as the worst point in our history.

32,961. I was going to say, that assuming wages were the same in money in 1850 as in 1890 then the position of the mechanic would have been the same as now?—Yes.

32,962. But in consequence of the paper currency the purchasing power fell from 1850 to 1865 from 30 cents per diem to 55?—Yes, I have exact computations of that in another paper here.

32,963. Then the purchasing power has risen again from 1865 to 1890?—Yes.

32,964. So that assuming the money wages were the same the mechanic would be better off by about 40 to 50 per cent. between those dates and, besides that, he has all the advantage of the rise in the money wages?—Yes, and more than that.

32,965. (*Mr. Little.*) Referring to the diagram that you gave us yesterday, I think the purple line showed the purchasing power; I should like to ask you whether that is the purchasing power of a definite quantity of money or whether it is the purchasing power of so much wages at different prices?—The diagram which I submitted yesterday is not based on that multiple standard; that diagram is based on the averages of all prices and all wages.

32,966. But there was one line which showed purchasing power, and I want to understand whether that showed the purchasing power of a dollar, or whether it showed the purchasing power of a day's or a

week's wages turned into commodities?—It shows the purchasing power of the day's or week's wages turned into commodities.

32,967. At the present prices of commodities?—Yes. Where the dollar fluctuates and jumps here and there and has no significance at all, you must have some other standard; and that line shows the purchasing power of the day's work. With reference to prices gold has appreciated if you merely consider the relation of one commodity to another; but with reference to labour from the employers' standpoint, gold has depreciated and with reference to the workman gold has appreciated both absolutely and relatively, for the workmen can earn more gold and he can get more for it.

32,968. (*Mr. Channing.*) Do the interesting figures which you have been explaining to the Chairman correspond with Mr. Carroll Wright's estimate of the purchasing power of wages in the United States generally?—The diagram which I have put in is taken exclusively from Carroll Wright's figures and for this reason; that President Andrews, of Brown University, said that he distrusted my own figures and referred me for authority to Carroll Wright; I took Carroll Wright and his figures proved even more than I had proved by my own, for I had been a little too conservative.

32,969. Those who look into these statistics are familiar with Carroll Wright's figures. I believe they are the only ones which are considered generally to be reliable?—Absolutely, I know nothing like them in economic history.

Cost of producing wheat in United States.

32,970. I do not know whether in your evidence you have already put in any detailed statement of the cost of production of a bushel of wheat in the same way that he has of the cost of production of iron, and so on?—I consider it impossible. I have tried in vain to get the cost of cotton, wheat, beef, and corn. When corn was the cheapest fuel that a man could use, even when he had coal right under his farm and when he could raise corn, *i.e.* maize, at three dollars a ton and burn it, what is the use of saying anything about cost in money?

Profitable price of wheat.

32,971. There is only one question I should like to ask you in connection with that: that is when you consider the profitable figure at which American wheat can compete in the English markets, do you yourself, in forming a rough approximate estimate, take into consideration the interest on the purchase money of the land?—No, I do not, because the greater part of our land is no rent land, and whatever the man gets for interest, or rent, or whatever you choose to call it, is a part of what he saves and adds to his capital.

32,972. You based your general estimate then on the fact which you have been establishing to your own satisfaction to us, that the mortgages have been very largely reduced and that a great portion of this land is free from them?—The greater portion is free.

32,973. In 1880 your forecast of the profitable figure was 34*s.*?—Yes.

32,974. Now it is 25*s.*—that represents, I think about 75 cents a bushel, does it not?—75 cents here.

Farm price of wheat in the United States.

32,975. What is the average price on the farm to the American farmer?—That is another impossible statement, because it will depend upon his proximity to a railroad somewhere; and he is nearer a railroad now than he ever was before.

32,976. But you must form some impression of what he receives in order to be able to state that the price is profitable, must you not?—I have an impression, and it is only an impression, that throughout the great grain growing region of the North West at 75 cents here he would get from 40 to 50 cents.

32,977. I was told when I was in the United States some years ago—I think about six years ago—that the farmers were then receiving only 18 cents a bushel on the farm; do you think that would be an exceptional state of things?—That would be at a distance from the railway, where they have a long haul over the worst roads in existence.

32,978. If that price quoted to me was correct it would show even on your contentions, that some farmers were not farming at a profit?—Well I do not know that, because it was under those conditions that they began in Nebraska, and they have gone from nothing up to 80 million bushels in the year.

32,979. Your answer to that class of argument would be, that the expansion of wheat growing is a proof that there is an average profit all round?—That there must be; people do not go on from 250 million to 600 million bushels without some inducement to do it.

Relative cost of producing wheat in America and England.

32,980. You have in the draft evidence that you handed in a passage to this effect; that you predicted 34*s.* a quarter as being as good a price to the western farmer as 50*s.* in Mark Lane had been, and that therefore English rents must yield; have you formed any opinion yourself as to the relative cost of wheat production in the two countries, and what proportion of rent ought to be yielded in order to meet American competition?—I merely had then the impression, on the best information that I could get, that the no rent land would be brought so near to the high rent land by the reduction of railway charges that the rent would disappear; and that you would have to adjust your farming to new conditions, and to give up the old rotation series in which wheat was a necessary factor apparently.

32,981. Economically you think that in some cases the land ought to bear no rent at all; that in certain circumstances there is no economic rent obtainable from it?—Just so far as cheap bread to the multitude is of more importance than rent to the individual, I do think so.

The Farmers' Alliance.

32,982. There is one more question about America I should like to ask; and that is, supposing your contention of the reduction of mortgages and the general average of reasonable profits to the farmers in America is accepted, how do you account for the Farmers' Alliance movements and the other political movements in the United Stated based on agricultural depression or at least on allegations of agricultural depression?—The Farmers' Alliance covers but a small fraction of the great body of farmers; the rest go on minding their own business. These alliances are generally composed of the thriftless rather than of the thrifty, and they attain importance by the unfortunate methods of playing politics. We have not yet got wholly rid of the old issues of the war, or settled down to a real division on living questions, and in such a period the opportunity to play politics is one of the misfortunes of the country.

32,983. You do not think that the movement then has any real economic basis?—No, it is practically dead already; it is like the "know nothing" movement in Massachussetts and other States 30 or 40 years ago. There may be new phases of Populists, &c., but of no permanent endurance.

Registration of mortgages.

32,984. Are all the mortgages invariably registered in your experience?—Yes; they are not safe otherwise.

32,985. That is the law, is it?—It would not be safe for a man to keep a mortgage unregistered, because the property might be attached and his mortgage would become worthless.

32,986. Is it the case that money lending transactions are carried out; that is, that the money is lent to farmers in the Western States, on other securities than mortgages?—There are some chattel mortgages, but the chattel mortgages prevail in the South much more than in the West. Debts on book account, of course, exist everywhere.

Effect of chattel mortgages on agriculture.

32,987. Does that system of chattel mortgages prevail to a very large extent?—It has prevailed to a very large extent in the South in pledging the crop before it is planted, and has been one of the great difficulties in the progress of the South; but they are gradually surmounting that evil method.

32,988. Does not that amount to another and a large indirect method of crippling agriculture which, perhaps, you have not taken into account?—It does not cripple agriculture in a large way; it is now limited to the very small people, mostly to the ignorant negroes and very poor whites.

32,989. Still, that would have to be taken into account in addition to the mortgages, would it not?—Undoubtedly; but bear in mind that in the face of that the cotton crop has increased as rapidly as the wheat crop.

Agricultural depression in England.

32,990. (*Mr. Chaplin.*) I shall be glad to ask you some few questions, but I think I ought to say that owing, unfortunately, to the fact that we did not get your brief until two days ago, we have had very short notice of the fact that you were going to give evidence, and it has been almost impossible for us to do justice to

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so distinguished a witness. You are aware that we are suffering severely from agricultural depression in England?—There is a good deal of evidence of that fact, but I find also a good deal of evidence that many of your farmers are doing very well even now on land which is free from conditions.

32,991. Yes, but you are aware that this Commission, so distinct is the *primâ facie* case, has been appointed to inquire into agricultural depression in England?—Yes.

Monetary change and the fall in prices.

32,992. We are examining into the causes of that depression, and nearly all the witnesses whom we have had before us have agreed that the main cause of that depression is the great fall which has occurred in the prices of agricultural produce, and we are now seeking to inquire into the causes of that fall in prices. Several eminent witnesses who have been before us have attributed a large part of that fall in prices to monetary causes; but you do not share that opinion, I understand?—I do not. I have investigated every great staple of the United States either in agriculture or in manufactures, and I find the applications of science and invention entirely sufficient to account for the entire fall in every case, without going outside of those reasons to find some other cause.

32,993. I think you went so far as to say that you knew of no article of staple produce with regard to which the fall in price could not be sufficiently accounted for by other means?—I did say so; I mean by any line that I have been able to follow judicially.

Price of wheat.

32,994. You illustrated this by the case of wheat, which is an article of produce in which this Commission is very much interested. I think you said that in 1873 the price of wheat was 54*s.* a quarter, and that in 1887 it had fallen to 32*s.*?—Yes, those are the figures.

32,995. Now, as a matter of fact, it has fallen something like 23*s.* or 24*s.* as the market price in this country, I believe?—Yes.

32,996. (*Chairman.*) Do you know what the actual price of wheat is, or whether wheat has been sold as low as 20*s.* as has been stated?—I think in some instances there have been cases of that, but I doubt whether standard wheat has been sold at an average of less than 24*s.* or 25*s.* Is not the lower price for what we call "job lots"?

32,997. (*Viscount Cobham.*) There is the Argentine wheat?—Yes, and Argentine wheat has been sold at a lower price.

32,998. (*Mr. Chaplin.*) I wish to take the period from 1873 to 1887, to begin with——?—Will you allow me to continue for a moment? If Argentina can furnish you with first qualities of wheat at 19*s.* to 20*s.* permanently then my forecast of the potential of that section is justified and we shall stop; I do not think we can do that.

Fall in price of wheat in 1873-87.

32,999. Now, with regard to the evidence that you have given us, I propose to take the period from 1873 to 1887 to begin with, as I have said. You accounted for the fall from 54*s.* to 32*s.* in this way: you said 11*s.* was due to the reduction in the freight by rail to the seaboard; that 5*s.* was due to the reduction in ocean freight, and 6*s.* you ascribe to the decreased cost of production. Now I wish to ask you one or two questions to begin with upon the reduction of the freight by rail; you spoke of 1887 as being the year in which you wrote a pamphlet on this question, I think?—I did.

Reduction in railway rates on grain from Chicago to seaboard.

33,000. I have had the advantage of seeing that pamphlet; in that pamphlet you point out that it is necessary to show the changes in the condition of American competition since the years from 1870 to 1873, and then you go on to say this, to which I want to call your attention: "The first consideration is to "be given to the reduction in the railway charge for "moving produce from Chicago to the seaboard, a "little less than 1,000 miles. This reduction has been "on the average traffic a little more than one cent "per ton per mile, comparing the rates of 1870 to 1873 "inclusive with those of 1883 to 1886 inclusive." Now a little more than a cent per mile I think in bushels over a thousand miles would represent this price, would it not—you will correct me if I am wrong; one cent per ton per mile for the thousand miles, of course, is a thousand cents, equalling 10 dollars per ton, or at 33⅓ bushels to the ton it is 30 cents per bushel, or 10*s.* per quarter?—I daresay that is the correct computation.

33,001. I daresay that is the correct computation?—I have taken 33⅓rd bushels per ton from your own pamphlet, in another part of which you speak of a ton as one ton of 33⅓rd bushels of 60 lbs. each?—Yes.

33,002. Then we arrive at this, that on that calculation of 1 cent per ton per mile it would be 10*s.* per quarter?—If your figures are correct.

Quantities of wheat transported by water and rail from Chicago to seaboard.

33,003. A little more than 1 cent per ton per mile would make the reduction even greater than 10*s.* a quarter. Now I want to ask you this question: in the years 1870 to 1873, is it not a fact that the wheat came mainly by water to the seaboard?—The larger part came by rail. I would like to state to you that after those figures were made they were very carefully verified by reference to the authorities of the New York Central and Hudson River Railroad, and by reference to the owners of lines of steamships, and that I took exact data also of individual shipments from merchants.

33,004. Of course, it has been very difficult to get the official statistics in America at such very short notice, but I have done the best I could instead, and I have taken two extracts from the "Economist" newspaper, which is, I believe, a great authority on these subjects?—Yes.

33,005. They are extracts which they attribute to the Bureau of Statistics in America. The first paper that I am going to refer to, which is dated June 21, 1873, and is to be found on page 761 of the "Economist," it gives the shipment per week for two different weeks and I have compared several of the weeks as follows:—Lake shipments for the week 967,830 bushels; on the canals, 714,000; and on the railway, 284,000. Then I have taken another week, October 11th, 1873, which gives for the Lake shipments, 2,791,499; on the canals, 3,500,000; and on the railway, 602,000. If those figures at all represent the fact, or are at all accurate, it would look, I think, would it not, as if the greater part of the shipments came by water and not by rail?—No. In some of the tables, which I accidentally left yesterday, intending to put them in, you will find the exact data of the variation in the cost of moving a bushel of wheat by water, by lake, and by rail.

33,006. First of all we want to get at the amounts which are sent by rail?—Then you must go to the statistical abstract. I would simply put in the one general statement that the loss of time, the transhipment and other factors in the movement of wheat by canal are so important that the railway line has steadily beaten the canal. Then, of course, the canal is only open a part of the year. The Erie canal is run free of tolls by the State of New York at an annual cost of nearly 700,000 dollars, paid in the taxes; the New York Central Railroad pays taxes within the State of New York to about the same sum, and yet there is a constant and steady gain in the wheat that moves by rail and the time may come, in my judgment, when the water will be drawn from the canal and rails will be laid in it as they contemplate in some other canals in the United States.

33,007. Yes, but as I explained to you, it has been impossible for me, within the time to get the official returns with regard to the amount of traffic by water and by rail as early as 1873?—You will find that all in the statistical abstract I think.

33,008 Those returns that I have seen for certain particular weeks, as quoted in the "Economist," undoubtedly give an immense preponderance to the traffic by water?—I daresay.

33,009. But you are not able to give us the figures now, contradicting them and establishing the fact that the greater part of the traffic was by rail?—I do not give you the figures, I give you a citation of the authority by which you can get them without any difficulty.

33,010. That will require to be verified?—And that will require time.

33,011. Can you tell us at all what proportion went by water and what proportion went by rail?—I do not carry those figures in my head.

33,012. It is extremely important because now I am going to the question of what the freights were by water?—You will show an apparent less cost by water than I show in that pamphlet, but there you leave out of view the delay, the loss of interest, the insurance, and a good many other items. The canal is so unimportant a factor as compared with the rail that I disregarded it entirely in that analysis.

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Water freight rates on grain from Chicago to New York between 1870–73 and 1883–86.

33,013. Now I find—this is taken from the statistical abstract of the United States for 1893—that the freight rates for grain from Chicago to New York in 1873 per bushel by water were 19·19 cents; are you aware of that?—I know that there are such figures in that abstract, but I do not remember that particular year.

33,014. Those are the figures given for that particular year?—What year are they in—1892?

33,015. I have not got the figures for 1892, but I have taken the figures which you put in the paper?—I may state that in 1892, they were, at times, something less than 10 cents, I think.

33,016. We are dealing now, if you please, with your statement of the comparison between 1870–73 and 1883–86, and I should like you to keep to that first, in order to avoid confusion. According to this statement it shows that the freights by water were 19·19 cents, we will call it in round numbers 20 cents, and that would represent 6*s.* 8*d.* a quarter?—Yes.

33,017. Now I want you to explain, with regard to the wheat which is brought by water, how it is possible there can have been a reduction of 10*s.* or 11*s.* a quarter when the whole original freight was only 6*s.* 8*d.*?—It would be very difficult to explain it unless you go back to the origin of the wheat. I would simply state that those figures have been contested a good many times, and that they have been verified a good many times. (*The witness when correcting his evidence wished to add the following words.*) *My computation of a reduction of* 11*s. per quarter covers not only the distance from Chicago to the seaboard, but also the movement of the wheat* 400 *to* 500 *miles from its source to Chicago.*

Rail freight rates in grain from Chicago to New York between 1870–73 and 1883–86.

33,018. Now I will pass on and take the freights by rail in 1873. The freights given in the statistical abstract of the United States for 1873 of wheat from Chicago to New York are 33·2 cents equal to 11*s.* a quarter; according to your statement in this pamphlet, the reduction was 10*s.* or 11*s.* a quarter; are the railways carrying for nothing, and were they carrying for nothing in 1887?—Not at all. (*The witness when correcting his evidence wished to add the following words.*) *The reduction from Chicago to the seaboard had been greater than on lines west of Chicago, but on those western lines it had been large. If you wish to verify the statement you must cover the whole distance, say* 1,500 *miles on the average.*

33,019. Then can you reconcile the discrepancy in the statements?—I should only have to refer you back to the actual facts of the New York Central and Hudson River Railroad, and on lines west of Chicago by which those figures were verified.

33,020. These are the official figures from the abstract of the United States; they put the freight by rail at that time in 1873 at 33·2 cents per bushel, which is equal to 11*s.* a quarter; you state that between 1873 and 1887 there was a reduction in freights by rail of 11*s.* a quarter; that would leave in 1887 no charge at all for freights?—My one reply is that my facts are taken from the actual traffic returns of the railways which did the business, and from the merchants who conducted it.

33,021. However, if these figures are correct as given in the statistical abstract of the United States the reduction that you have laid before us would be impossible?—Apparently so. (*The witness when correcting his evidence wished to add the following words.*) *Apparently, but not really, because they only cover a part of the distance.*

33,022. Then it is clear that if these figures from the Bureau as to freights in 1872–73 are correct, your statement as to the reduction in freights between those years and 1887 must be in some way mistaken?—There were additional charges which you have not taken into consideration. I am unable here to go over the matter again.

33,023. (*Chairman.*) Were your figures the averages of 1870–73?—They were averages.

33,024. For 1870–73?—I have no doubt you can find particular times when there was a contest among the railroads, when they did carry wheat almost for nothing. But those figures which I have given are taken from actual facts. That is another case of the necessity of checking off great averages or apparent averages by the actual transactions themselves.

33,025. (*Mr. Chaplin.*) I think I may state in support of the figures that I have used that I obtained them from the Director of the Statistical Department of the Board of Agriculture after your evidence was completed last night. As regards wheat do you still adhere to the opinion that you have given as a reason sufficiently accounting for the great fall in the price between those years, apart altogether from any questions of monetary causes?—I adhere to it distinctly.

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33,026. In spite of this apparent grievous error as to the freights?—I do not admit the grievous error at all, because when I got home, after I made that statement, and verified it from the books of merchants, I found that I might have said that the American farmer would get as much out of 28*s.* a quarter as he had previously out of 50*s.* I verified it from the books of the transactions themselves. (*The witness when correcting his evidence wished to add the following words.*) *As well as the railway figures covering the whole distance of about* 1,500 *miles to the seaboard.*

Fall in freights in recent years.

33,027. Now to come to later periods; taking the price of wheat at the present moment at 23*s.* 9*d.*, which is the official quotation which I have just seen, there has been no great fall in the freights quite recently, has there to account for that—within the last two or three years?—I have not looked into it for the last two or three years.

33,028. There has been a very great fall, as you know in wheat in the last few years?—Yes.

33,029. It has fallen from something like 30*s.* to 23*s.* 9*d.*?—I think there has been as great a reduction in other factors affecting wheat.

33,030. There has been no corresponding fall in the price of freights?—I have made no private investigation during the last few years. In anticipation of coming here I wrote to a correspondent in Minneapolis to trace a lot of wheat transactions through from Minneapolis to Liverpool at the present time—I mean actual transactions; if that paper comes, I will put it in at a later date.

Improvements in production of wheat in recent years.

33,031. Now with regard to the lessened cost of production, there have been no special improvements in machinery for reducing the cost of production within the last three or four years, have there?—There has been a very great lessening in the cost of machinery, and I think there have been a good many improvements in handling and milling, and packing, each minute in itself, but, as far as I can learn, of considerable importance in the aggregate. Every branch of work is now on a small margin.

33,032. Sufficient to account for the fall in the price?—No. I admit that there has been a fall in the price since the 34*s.* which requires an explanation other than the improvements in production and distribution; there has been a fall in the price of everything to the great benefit of the consuming community except in meats which are about as high as ever on a gold basis.

Effect of monetary changes on prices.

33,033. You adhere then to your view that the change in prices is not due to the appreciation of gold, and that it has nothing to do with money causes?—I do; I think that the fluctuation in silver in India, and in paper in South America adds a little to the cost of the merchant in importing; he has to insure himself against these fluctuations.

33,034. You admit, of course, that there has been recently a change from a high to a low level of prices?—I do not admit a general or uniform change; I admit great variations in price and a general tendency to lower prices, but as I have said, some articles are higher now than they were in 1870, notably coffee and many kinds of timber. In our country many articles of handwork are now higher on a gold basis than they were in 1870.

33,035. Quite so, but with some exceptions which I equally admit, and on which I entirely agree with you, you would say that there has been a general tendency to a change from a high to a low level of prices?—A tendency that way is shown in all the tables, but I do not accept the average of all prices as of much importance. I want to go to each particular article.

33,036. Are you of opinion that prices are affected by an expansion or contraction of the supply of money?—They are affected by an expansion or contraction of money that is of legal tender.

33,037. I am speaking of money in that sense?—Yes, undoubtedly prices were enormously inflated by our paper legal tender currency.

33,038. But in this case this tendency to a change is not due, in your opinion, to the contraction of money?—It is not, in my opinion, since 1879 when we resumed on a gold basis.

33,039. We have had some evidence upon that subject from other witnesses which I should like to put before you, and to ask whether you adhere to that

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opinion in the face of it?—I am quite familiar with that view of the so-called bimetallists whom I call bi-legal-tenderists.

33,040. Yes, but I am going to quote, with your permission, the opinion of a very eminent and distinguished, perhaps the most distinguished, mono-metallist in this country?—Mr. Giffen?

33,041. Yes, you have named him rightly. Speaking on this subject in 1888 he said, "It would only vary "the language a little to substitute for the phrase "'contraction of money' 'increased cost of production,' just as it would be to substitute in the opposite "case 'lowered cost of production,' in both cases "relatively to commodities." "It appears to be "possible, however, to go farther, and to point out "that by comparison if we attend carefully to the "terms of the comparison we can say positively that "the recent change from a high to a low level of "prices is due to a change in money of the nature or "in the direction of absolute contraction." You do not share that opinion?—That is about the only point on which I ever differed with Mr. Giffen. I know all about that, and I do not fully concur with him in that. I find that the great change brought about in commercial methods by the telegraph, by the Suez Canal, and by the greater use of instruments of credit, has more than off-set the apparent contraction of money metal, and that there is rather a plethora of gold in sight than a scarcity.

33,042. (*Mr. Giffen.*) Might I ask you at this moment whether your attention has been called in that passage which Mr. Chaplin quoted just now to the phrase, "If we attend carefully to the terms of the com-"parison," it is a question of exact language to some extent, is it not?—Yes.

33,043. I ask the question because I do not believe that you would have differed in your opinion from me if you had observed the language which I used?—I confess that I am more familiar to-day with what has been imputed to you in this discussion than with my reminiscences of what you actually did say. But there has been a little difference in my mind and in the minds of Horace White and of some of our other so-called mono-metallists, who are really single standard men, and not mono-metallists; there has been a little difference between us and you for some time, I think, on what we understood you to have said.

Increased purchasing power of gold.

33,044. (*Mr. Chaplin.*) You admit, however, I understand, that the purchasing power of gold has increased; I think you have admitted that in your evidence here?—The purchasing power of gold has increased unquestionably in respect to most articles.

33,045. That, I understand, in your opinion, is due to causes affecting commodities such as increased production, and is not due to any change in the value of the money itself?—There you are correct.

33,046. That is your view?—That is my view.

Production of commodities and increase of population.

33,047. When you talk of the increased production do you mean over-production in proportion to the demand?—As we say on our side, I always kick at the term "over-production," The world wants everything that we can make if we can only distribute it.

33,048. (*Chairman.*) Over-production means plenty?—Over-production means plenty, but as commonly used it merely means a little congestion at some particular point where some lack of credit or a high tariff, or some artificial obstruction stands between the producer and the consumer.

33,049. (*Mr. Chaplin.*) What proof is there, or what proof can be advanced that in proportion to the increased population and the requirements of the world there is any increase in the production of the commodities; how can you show that the commodities have increased at a greater ratio than the population and the requirements and the necessities of the world. The increase in population is something gigantic, is it not?—I think not. I shall have to send you a Commencement Address in which I dealt with the thesis of "Con-"sumption limited and Production unlimited in its "potential." I have taken no stock in the conception that the tendency of population is to increase more rapidly than the means of subsistence. It never has been true since it was uttered. It is not true to-day, and in view of the recent discoveries of science in respect to the matter of food, it is not within the thought of anybody.

33,050. (*Mr. Giffen.*) Is it true of India?—It may be true of certain limited districts in India, but there is less hunger in India to-day than there was before the railroads were built. You had your famines simply because you had no means of communication. You had abundance in one place and scarcity in another.

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33,051. (*Mr. Chaplin.*) Are you able to tell us what the increase of population in the world has been, say, within the last 20 years?—We have a sort of approximate idea from the different censuses, they are fairly near.

33,052. The increase may be a very great deal greater than the estimates given in these censuses?—I do not know; I suppose we are as close to the facts in the United States as you are in Great Britain. What the check to increase is I do not know, but there is a retardation in the increase of population even in the United States.

Effect of expansion or contraction of money on prices.

33,053. Now with regard to the effect of expansion or contraction of money on the prices of commodities, I am going to ask you another question. You referred us in the course of your evidence to Adam Smith; I may remind you that he computed the price of wheat during the interval between 1202 and 1597, both inclusive, and to show the variations in value he separated the 395 years into seven divisions, and he reckoned the average for each. Those divisions began with the period of 1202 to 1286, and they ended with the period of 1561 to 1601. For the purpose of what I am going to ask you, I think it would be sufficient to take the three last periods. In the period from 1453 to 1497, the price of wheat was 14*s.* 1*d.* per quarter; from 1499 to 1563 it was 10*s.* $0\frac{5}{12}$*d.* per quarter; and in the last period, from 1561 to 1601, it was 2*l.* 5*s.* $7\frac{1}{2}$*d.* How is that great rise to be accounted for apart from monetary causes?—I am not learned enough in the history of that period, but I would like to put a question to you right here.

33,054. But it is for me to ask you questions, if you please?—Sometimes it is a good plan to put a question in rejoinder.

Effect of discovery of Potosi silver mines on price of wheat.

33,055. You will remember, probably, that the silver mines of Potosi were discovered in 1545, and that they created an enormous expansion of money?—Undoubtedly.

33,056. Would you dispute that that was the cause of the rise in the price of wheat then?—I should have no doubt it was a large factor in it. I am somewhat familiar with that period, and with the effect of those additions, but I do not remember dates.

33,057. Do you remember what Adam Smith said about it himself?—Not particularly.

33,058. I will quote it, because I think it is desirable that it should go upon the notes, and then I will ask you whether you agree with it. "From about 1570 to "about 1640, during a period of about 70 years, the "variation in the proportion between the value of silver "and that of corn, held a quite opposite course. The "discovery of the abundant mines of America seems "to have been the sole cause of this diminution in the "value of silver in proportion to that of corn. It is "accounted for accordingly in the same manner by "everybody; and there never has been any dispute "either about the fact, or about the cause of it." Would you be disposed to agree with the opinion that this great rise in the price of wheat at that time was entirely due to monetary causes?—I should not agree that it was entirely due, but I would agree that it might be. I should want to know all the other circumstances. Adam Smith was a true observer.

33,059. Then I want to ask you this question: if so great a change in the price of wheat at that time was due to monetary causes then, is there anything very unreasonable on the part of bimetallists in supposing that a great change in the price of wheat now may be due to monetary causes again?—In reply to that question I would say that I should call upon the bimetallists to take into consideration the fact that there has been as great, and, proportionately, a greater addition to the supply of gold in use in the world since 1850 relatively to silver as there was at that period in the supply of silver relatively to the previous quantity of money; and that if the additional quantity of silver money had the effect that you hold that it had, you then prove a depreciation of the power of silver in reference to wheat. Now I hold that the big addition of gold, since 1850, has either saved us from a much greater fall in prices or has had the effect in respect to the monetary metals that the supply of silver from Potosi had at that period. That is the point I want to

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get in. If that additional supply of silver was a monetary cause of the rise in price at that time, then the huge addition to the quantity of gold since 1850 may have been a cause of the maintenance of price higher than it would otherwise have been in this latter period. The question which I wanted to put to Mr. Chaplin was this: taking those prices of wheat at that time and the present prices, do we not find a depreciation both of gold and of silver at the present time with respect to the value of wheat, in other words, if gold had not become more abundant since your funded debt first took its rise in the time of William the Third, what would be the present burden of your National Debt of Great Britain?

33,060. No doubt if you cease to discover any more gold or if you stop the entire coinage of gold you might increase the burden of the debt to any extent; but upon the same argument that you have been using, is it not reasonable to suppose that the great dislocation of silver which occurred when the various mints were closed on the Continent, and when the mint was closed in America may also have had a great effect upon prices?—I do not find it—I find it has increased the cost of doing business, and I find that the export of cotton goods from Lancashire has increased to India, and that you have got a larger return in wheat or in something else.

33,061. When the mints of the United States were open to the free coinage of both gold and silver those metals both performed all the same functions of money, did they not?—The silver dollar never circulated; it went to France and was melted down into 5-franc pieces as fast as it was issued from the mint prior to 1873; it never had any effect upon the monetary condition of the country.

Effect of demonetisation of silver on prices.

33,062. You are not prepared to admit that what I call the great dislocation of silver had any effect at all upon prices?—I think it has had an effect in making commerce much more complicated and in increasing the cost and difficulty of doing business.

33,063. Has it had any direct effect in lowering prices?—I do not ignore the silver difficulty, especially in India—all I hold is, that the gold standard is asserting itself in spite of legislation, and in spite of treaties, and that even if you did get what you call a bimetallic treaty——

33,064. I will come to that question afterwards, if you are going to talk about the gold standard. I should like first to have an answer to this question, whether you admit, or whether you deny, that the dislocation of silver has had an effect upon the prices of commodities either directly or indirectly?—It has had a slight effect in rendering commerce or the exchange of commodities more complex. I do not think that it has had any appreciable or permanent effect upon the price of wheat in England.

33,065. If it has had no permanent effect then it may have had a temporary effect?—A very short temporary effect.

33,066. When you say very short how many years do you include in that?—A few months.

33,067. You think the indirect effect of the dislocation of silver has only been felt then, for a few months, upon the price of wheat?—It has had a very slight effect you may say on each particular harvest for a short period, and then the commerce of that year adjusted itself to the ratios and went right on.

33,068. Then it has a recurring effect each harvest?—A little bit, just like any other variable factor; just like the element of insurance.

33,069. At what date do you put the commencement of this effect, which was the first harvest which was affected?—I never attempted to place it; in other words my judgment is that if you had not received any wheat from India, you would have received an increased supply from the United States, and the price of wheat would have been substantially the same as it has been even with the Indian import.

33,070. Then it practically comes to this; that in your opinion it has had hardly any effect either directly or indirectly?—Hardly any effect directly or indirectly except in rendering commerce more complex and in disturbing all your East Indian relations among yourselves. That is a very difficult subject for you, but we do not propose to take any hand in it.

Condition of farmers in the United States.

33,071. On that I will ask you some questions presently. I think that is what you closed your brief with. I want now to take you to another question upon some extremely interesting information which you gave us, although it certainly differs very much from the information I had previously received; that is on the question of the general condition of the farmers. You gave us the acreage of land which is held as farms, at 623,000,000 acres, and I understand you to say that the general condition of those farmers, where they understood their business, is prosperous?—Fairly, until the present year, and among the farmers in the present year there is the same difficulty as among the merchants. In the general commerce of the country when the panic came on, the farmers could not sell their produce, the merchant could not make his collection, the distant merchant could not make his remittance to the manufacturer, and the manufacturer had to come to the banker and get carried over; but there was very little bankruptcy among the commercial men. There have been hardly any failures of any importance in the United States during the whole year, and the principal dealer who failed has since paid 100 cents in the dollar and has resumed. It would not be worth a quarter of 1 per cent., or 25 cents. on each $100 of sales to get a guaranty of prompt payment on our internal wholesale traffic. Losses by bad debts on true commercial transactions, are, and have been for years, very trifling. You must draw no conclusions about regular commerce from the fluctuations in the stock market.

33,072. With the exception of this last year which, you have told us all throughout, you put aside altogether—— ?—Yes.

33,073. Up till then the farmers have been practically prosperous?—Farming as a whole has been practically prosperous.

33,074. Then are all these stories that we hear about the bankruptcies of farmers and the numbers that are being sold up misleading?—They amount to no more than the ordinary fraction of ill-success which affects any business, and the evidence of that is conclusive in such reports as those I have here from the State of Minnesota and from South Dakota. The proportion of foreclosures of farms steadily diminished in those two wheat growing States between 1880 and 1890 down to the beginning of the panic year. In Minnesota the chief of the Labour Bureau of Statistics estimates (and gives the facts) the improvement in respect of foreclosures at 85 per cent. during that period.

33,075. (*Chairman.*) You said down to the beginning of the panic year, which is that?—The beginning of the panic year I call April 1893, or from the end of 1892. I have his statement here, if you want to look it over.

33,076. (*Mr. Chaplin.*) Now I want to ask you a question as to the reliability of statements with regard to farmers in a New York paper which is called the "New York Sun." Is that a considerable paper and well informed on agricultural matters?—I would rather not answer that question.

33,077. I wish to ask you whether you agree with this statement in the "New York Sun," which is written on September 10th, 1893:—"As the prices of "farm products have fallen, so has declined the "purchasing power of that great body of producers "constituting nearly one half the working force of the "nation, and so has waned the prosperity of all. For "more than 15 years, from 1878 to 1893, all the great "primary agricultural staples have been declining in "price, although there have been periods when the "price of some one was high for a limited time." ". . . . "In the meantime there has been no "material reduction in the cost of production, the "self-binder, the gang-plough, mower, hay tedder, "and hay loader, and all other great improvements in "agricultural machinery having come into use prior "to 1878. While the cost of production cannot have "been lessened as much as 5 per cent. since 1875, "prices for the staple products of the farm averaged "82 per cent. greater during the five years ending "with 1875 than now. This is especially true as "respects the five staples: corn, wheat, oats, hay, and "cotton, which employ 195 millions out of the 206 "million acres now devoted to staple crops." What I want to ask you is whether that opinion and that extract at all shake your views as to what you describe as the general prosperty of American farmers up to the beginning of 1893?—I differ with it in general and in detail. I think the statements are erroneous in many respects, and the very point of all my evidence is to disprove exactly that sort of rubbish.

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Mortgages on farms in the United States.

33,078. With regard to the mortgages, I understand you to say that the mortgages upon these 623 million acres amounted to about 1,000 million dollars?—I put in the official data, which I consider conclusive on that point.

33,079. Official data up to when?—In the year of investigation.

33,080. Which year was that?—It is the year 1889. I am going to leave all these papers with you to study at your leisure. This is official matter which gives the conclusion of the mortgage investigation, and which has not yet been published. It was put into my hands at my request, just before coming over, by Mr. Carroll D. Wright, the present superintendent of the census, but I did not myself have time to go through it.

33,081. I have been supplied with some information on this subject on which I want to ask you some questions. I understand you to say that they are suffering no severe depression from the mortgages upon their farms?—That what?

33,082. That the farmers are not suffering severely from the fact of their farms being mortgaged?—Taking the 22 typical States with 68 per cent. free of any mortgage, how can they be?

33,083. You do not consider the indebtedness of the farmers heavy now?—I think they are the most independent class in the United States, taking them by comparison.

33,084. (*Chairman.*) I suppose you are confining your evidence up to the beginning of 1893?—The evidence which I have procured since from specific States is the same down to the panic.

33,085. You speak of the difficulties of farmers about their mortgages, because, I presume, that in consequence of the depression of this year, those farmers who are mortgaged would find a difficulty in paying their interest?—This year I have no question that they have to delay their interest, just as they delay their payments, just as the tradesmen delay their payments, and just as we have all been embarrassed in tiding over this wretched panic which had no cause in the nature of things.

33,086. You confine your observations upon this point up to 1890, do you?—I have said that I have subsequently written to the bureaus of statistics of separate States, especially of Minnesota and South Dacota, which are great wheat producing States, and that their testimony is that subsequently to 1890 and down to 1892, the liquidation of mortgages proceeded with somewhat accelerated speed down to the date of the panic.

33,087. Previous to that you described the indebtedness of the farmers as not being heavy at all, and you say they were a most independent class?—If the facts that I have quoted are as they are stated, it seems to me that that is obvious, and these individual letters, which I confess will of necessity be *ex parte*, because they are from the men selected as thrifty farmers, go to sustain that view by individual evidence. If you look over some of these you will see that they bear testimony to themselves and to their neighbours.

33,088. Are you aware that a sub-committee of the United States Senate was appointed in March 1893, to inquire into the condition of agriculture?—I think I have heard of it.

33,089. They inquired and they made a report, and I have before me some extracts from that report bearing upon the condition of the farmer, which appears to very greatly contradict your evidence. I should ask your permission to read it: "The indebtedness of "farmers has been and now is very heavy. The "census reports for 1890 are not completed, but "enough has been given to the public to show that "the aggregate is almost incomprehensible." Then they go on to say, "From 1880 to 1890 an immense "indebtedness was incurred by the farmers of the "United States, and a large part of it was in renewal "of obligations incurred years before. This was simply "moving their old debts ahead—the same principal, "the same interest. The aggregate debt of farmers "still due on the 1st day of January 1890, though the "reports are not all tabulated, was about 2,250 million "dollars." When you told us that their indebtedness was a thousand million dollars, that referred only to the present time, I suppose?—That referred to this official data, and to the evidence of the compilers which is all in this pile here. If you include the acres you must bear in mind the distinction between mortgages on acres and mortgages on true farms, which are occupied and worked. The mortgages on farms and acres, so many of which are suburban and held for speculative purposes, are over 2,000 million dollars, but the analyses of the authorities of the census, under Mr. Wright, have brought the mortgage on true farms down to about a thousand million dollars, and I call it 1,300 million dollars in order to be safe. The evidence is all here, and you can take it just for what you think it is worth. Now when you speak of thousands of millions that raises a vague question, but when you bear in mind that the average mortgage is only a thousand dollars on a farm worth 3,200 without the stock and tools, it does not appear to be a very important matter. I am prepared to admit that one third part of the territory of the United States went through the mortgage mill between 1880 and 1890, and that the total amount of mortgages of all kinds was 12,000 million dollars, and is now 6,000 million dollars. Well, what of it? There are 70 million people, and each mortgage is a trifle. The mortgage on the City of New York and the 10 adjoining counties, on city real estate which is easily carried, and which furnishes capital at a low rate to those who do business, exceeds the entire mortgage on all the farms in the United States. Here is a map which shows 43 per cent. of the mortgage indebtedness in half a dozen different places. I should like to know who reported that which you have read, and then I would tell you how much weight I would give to it. There has been a great deal of talk about that.

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33,090. This is a report of a sub-committee of the United States Senate appointed in March 1893 to inquire into the condition of agriculture?—Who were the members?

33,091. That I cannot tell you, I have not had time to ascertain that?—When you tell me who the members of that committee were I will tell you how much weight I would attach to it. If Senator Peffer and his kind were on it I should not attach much weight to it. I am afraid I must go now to keep an important engagement that I have; but before I go I will withdraw from my papers two more of my graphical tables which give the results of my own investigations, not official, but which the official diagram verifies. These give the variations in prices and wages as indicated by that multiple standard from particular establishments secured mainly by myself, and showing rather less improvement than the official figures. One is based on 1860, one on 1865, and the other one on 1870. They are on that particular multiple standard.

33,092. The report goes on to say: "So heavy a burden "on land, and especially during a period of falling prices, "cannot but be depressing. The average situation in "this respect was fairly expressed concerning the farm "lands of New York by the State assessors for that "State in their report to the Legislature under date "February 3, 1890. Among other things the assessors "say: 'There continues to be a marked depreciation "'in the value of farm lands in nearly every county, "'and the depression among farmers continues while "'the prospect for improvement is not good; many "'assert that after paying expenses they cannot realise "'from their farms sufficient to pay the interest on "'the mortgage against them, and consequently "'thousands of farms are falling into the hands of "'mortgagees.'" You do not agree with these statements?—The State of New York has suffered much more than the Western States. That is partially true, but it is to meet exactly that kind of statement that I have gone to the pains of making this analysis. I will venture to say that the committee which made that report would represent the ideas of the free coinage of silver and of cheap money lunatics, and was appointed at their instance. That is just what I should expect from them; that is what I am trying to meet at home, and that is the reason why I did all this work, not for you, but for use in the United States.

33,093. But still not being aware at present of the names of the gentlemen who composed the committee, that is only a speculation on your part?—It is only speculation on my part, and I admit that if you deal with the mortgage question by thousands of millions, you can make it appear as big as you want it; but when I cypher it down to a thousand dollars a farm and only 32 per cent. of the farms mortgaged, on that it does not appear to be so big.

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33,094. I think it was you yourself who gave us the estimate of a thousand million, or rather 1,300 million dollars for which the farms were mortgaged?—And I carefully gave you the number of farms, it is a little trifle on each.

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Adjourned for a short time.

Condition of farmers in the United States.

(*The Witness.*) I would like to say to Mr. Chaplin, before he begins again, that I think on consideration that four men out of five, perhaps nine out of ten Americans who might come here, and who would have that statement of the "New York Sun" submitted to them, would say that they believed it to be substantially consistent with the facts; that is the general impression.

33,095. (*Mr. Chaplin.*) Four men out of five?—Four men out of five will tell you that they think that that was substantially consistent with the facts. I beg to say that the impression of great suffering and depression on the part of the Western farmers prevails in the Eastern part of America to almost as full an extent as it does here, and that that is in my judgment a superficial view of the matter. I am one of the few men who have attempted to get at the bottom of it, and you must take my conclusions for just what they are worth. You will never satisfy yourselves fully until you pick out a first rate man of judicial mind who can go through the country and take his own observations on your own account.

33,096. Then I may take it from you that on your own admission in your views as to the prosperity of American farmers, you differ from the general opinion altogether?—I differ from the general opinion of my own people who have not examined the subject carefully, but who take a superficial view of which I take the "Sun" article to be an expression.

33,097. Then I take it that you would say that if we want to have the full expression of American opinion upon this subject of the prosperity of the American farmers, and the future of American agriculture, we ought to have witnesses on the other side as well as yourself?—I think it would be judicious. I try to give you, as far as I can, facts and not opinions.

33,098. When you say that people who hold this opposite view, as a rule have not endeavoured to get to the bottom of the case as carefully as you have done yourself, you would not apply that observation to the labours of this Committee of the Senate that I referred to, I suppose?—I am strongly suspicious that I should.

33,099. We should not as a rule hold that opinion of Committees appointed by Parliament in England?—I wish I were not obliged to express that judgment, but it depends wholly on the animus of the committee, and on who they are, and on whom they employ to do the practical work, whether you can accept a mere committees' report or not. In such a case as this it is very apt to be the fact that the promoters of a single idea or a peculiar idea, form a majority of the committee, therefore every real student looks up the personal equation or bias when dealing with a report. It is rather rare that a committee of both parties take such a course as the Finance Committee of the Senate did in delegating the investigation of wages and prices to Carroll D. Wright to be done in an absolutely judicial way. I admire the thoroughness of your Parliamentary work, and we hope we shall equal it. But I should want to know exactly who the men are and what their real capacity is on that committee before I would express a confident opinion about their conclusions.

Effect of restoration of specie standard on prices and wages in the United States.

33,100. As I stated before, I received this information so hurriedly that I have not yet had the time to make that inquiry, or to ascertain that. Now with regard to another subject I think you have told us in your examination in chief that the effect of the gold standard since 1879 had been to lower prices?—I think I hardly said that the effect of the gold standard had been to lower prices, but that since the adoption of the gold standard there had been a continuous tendency to a fall in prices, not as great as that which preceded the restoration of the specie standard between 1865 and 1879 in the United States, and that there had been as steady and continuous a rise in wages.

33,101. You certainly said that there was a rise of wages at the same time; but when you say that the fall in prices since 1879 had not been as great as the fall which preceded it, what years are you speaking of?—What I mean to say is that the fall in prices between 1865 and 1879 was very much greater, as is indicated by that chart, than the fall in prices subsequent to 1879.

33,102. (*Mr. Giffen.*) The fall in prices between 1865 and 1879 was a fall in paper prices, was it not?—Unquestionably. I am dealing with the paper fluctuations throughout, because I think the lesson is the more important. From debased and depreciated paper we reason on the effect of low priced and depreciated silver.

33,103. (*Mr. Chaplin.*) You also, I think, went on to say that the standard had resulted in lower prices and higher wages which were its complement?—I did not quite state that. From 1860 to 1865 prices rose in the United States on the debasement or discredit of the currency. Wages also rose but not as much. The workmen suffered. After 1865 prices fell rapidly, wages less. In 1879 we resumed. Prices fell moderately. Wages rose steadily. Under a gold standard the workmen throve greatly. From 1879 to the panic of 1893 capital increased rapidly while the margin of profits diminished, but the workmen gained absolutely and relatively, securing year by year, subject of course to temporary fluctuations, an increasing share or proportion of a constantly increasing product. That is true progress.

33,104. What I was going to ask is this: surely the price of wages is an important element in the cost of production, is it not?—It is an important element in the cost of production in this respect, that in proportion to the effectiveness of the labour the wages will be very high and the cost will be very low per unit of product. I do not regard low prices and low wages as at all corresponding terms, but, on the contrary, I regard high wages as the resultant or derivative of a low cost of production. And that is the peculiar advantage that we claim for the United States, that we have in almost every important article of commerce an opportunity to make the produce at the lowest cost per unit of product, with correspondingly the highest rates of wages that are derived from the sale of that product anywhere in the world.

Course of wages in the United States.

33,105. Have wages begun to show any tendency to fall at present in the United States?—There have been a few attempts to reduce wages in specific occupations during the panic; nearly all those wages have been restored. The course of wages has been variable, but on the whole there was no general reduction, even during the panic, it was rather a loss of the occupation for the time being than a reduction of wages.

33,106. Where there has been an attempt to reduce wages it has generally resulted in violent opposition, sometimes taking the form of strikes, has it not?—Yes.

33,107. And those strikes have resulted in the maintenance of the wages?—Not always; they sometimes resulted in the stopping of the operation entirely, or if the circumstances had changed so that there was a market for goods then the wages have been restored.

33,108. That is to say maintained?—I mean after having once been reduced they have in some cases been restored to the former level.

33,109. Am I right in supposing that in the cases you refer to if it had not been for those strikes, if wages had followed their natural tendency, they would have fallen?—I think not. I think there is no possibility of any general reduction of wages in the United States.

33,110. I am speaking of these particular cases where there has been the tendency to fall?—I think the strikes have merely made a little variation in what might have been the course.

33,111. You think the strikes have had some effect in maintaining wages?—Not in maintaining them. I think they are more apt to tend to a reduction in wages; rather more apt under such conditions as the present. There has been a moderate lack of employment.

33,112. How could they tend towards a fall when I understand the operation is this: there is a proposal to reduce the rate of wages on the part of the employer?—Yes.

33,113. That is met by a strike?—Yes.

33,114. Now if there had been no strike they would have fallen; how then does the strike produce the fall?—The strike results in the discharge of the striking body, and just at present in the rush of the unemployed to fill the places at a lower price.

33,115. And in that way it has produced a lower wage?—For the moment, there is no permanent effect of strikes either way in my judgment.

Agricultural wages in the United States.

33,116. I was given some information about harvest wages at the present time and 10 years ago; harvest wages given to the men who feed the threshing machine, that is to say, who carry the sheaves of corn to the threshing machine and put them into it, which, I understand, is as hard work as can be done by the agricultural labourer. I am told that the present price is 75 cents, or 3*s.* a day. Have you any information on that subject?—No direct information. There is considerable information on that subject in these letters which I have not yet digested.

33,117. Would you think that would be approaching to what was correct?—No; I should think that was very low indeed.

33,118. Then I am also told that the wages for that special work 10 years ago were more than double, or nearly 10*s.* a day?—I cannot say that it was not so, but all my evidence is the reverse.

33,119. You do not know upon that point?—My general investigation of the agricultural wages of common labourers is that while they have risen they have not risen in as great a proportion as in many other arts, and there has been and is still a scarcity of farm labour. I should interpose that the farm wages vary exceedingly in different parts of the country.

33,120. The wages vary exceedingly in different parts of the country?—Yes; if you go to the south you would find lower rates of wages in many departments among the negroes than those you quote, but the labour is not as effective.

Competition of India and America in wheat growing.

33,121. You stated in the course of your examination in chief that America was perfectly able to compete with India in wheat growing up till 1887, and that at that time you had ceased to regard India as an important factor; whereupon I asked you the question whether you still ceased to regard India as an important factor, and the Chairman thought the question had better be postponed. Now I will ask you the question: Do you still think India an important factor in competition with America in wheat growing or not?—I do not consider India an important factor basing my idea on the relatively very small quantity of wheat that can be produced in India under any circumstances near enough to railways to be moved, as compared with the relatively very large quantity that we can produce if we choose to. My own investigation leads me to believe that the area of land near railways in India that can be spared from millet, rice, beans, and other legumes which constitute the food of the people is not large, and that the wheat product has culminated until the railways are extended.

33,122. What has caused you to change your opinion?—Of the effectiveness of India?

33,123. I mean you ceased to regard India as an important factor in 1887; now you think she is an important factor?—No, certainly not. I no longer regard India as a very important factor for the reasons that I have given mainly derived from the Indian reports on agriculture and food supplies.

33,124. You adhere to the opinion then that you expressed in 1887?—I do.

33,125. Your opinion in 1894 is the same as it was then?—Substantially.

Production of silver.

33,126. I only wanted to clear that up; I did not quite follow it. Now I want to ask you, if I may, one or two questions with regard to the product of silver if you have no objection to answer them; I understand that you were examined before a Commission in New York in 1876 upon the production of silver, and you were asked this question: "Is not the yield of all "mines of importance a matter of public information "through the statements and reports of their superintendents or other officials, and is it not a fact that the increased production of silver during the past two years "has come almost entirely from the Consolidated Virginia and California mines of Nevada," and then to that you answered, "I am not aware of that fact; I should "question the evidence as to the total production of "silver partly on the ground of what I saw in the "Centennial Exhibition from Mexico;" and then you were asked a question, "What did you see at that Exhibition that led you to question the correctness of "silver-mining statistics," and the answer was as follows, and it is upon this answer I want to ask you for further information: "A very curious mass of "silver, thick in the centre and thin in the edge, as "if it had been cast in an earthen pan; it was afterwards explained to me how it was obtained, that there "were cliffs containing veins of metal against which "piles of combustible materials were placed and set on "fire, and the production was collected in what might "be called an earthen pan, and this was alleged to be "a rough production by this process. I at once inferred in relation to silver production that statistics "might be fallacious." Do I understand that that is your view of the way in which silver is sometimes obtained?—Decidedly not. In that report I am the victim of an unskilful gentleman of the reporting profession. That version of the testimony crops out every now and then, and I am very glad indeed that it has cropped out here, because you know how the lie travels much faster than the truth. There is an important omission in what I am purported to have said. And that omission makes it appear that I testified that the combustible material was piled up against the cliff, and melted the silver out of the cliff, which would be a manifest absurdity. What I did say was this, and what is true in some of the waterless regions of Mexico far away from scientific facilities—that there are cliffs or veins of ore in some parts of Mexico from which the ore is quarried, and then it is roasted on combustible materials right on the spot without furnaces or scientific appliances, and from that it is run into an earthen pan, which did give this curious mass of nearly purely silver of about that diameter (*illustrating*) thin at the edges as thick in the middle, showing evidence of the crudest methods. That is a very different thing from stating that the silver was melted out of the cliff itself.

33,127. The report in question was not correct?—The report is distinctly incorrect, and has been cited against me many times by men who knew that it was incorrect, in the attempt to break my evidence.

33,128. I have asked you the question, because it appears to me to conflict with other views which you have expressed on which I am anxious to ask one or two questions, and I wanted to have this clear; I only received this last night?—It was printed in the "Financial News" the day before yesterday in anticipation of my coming here, and with the object of breaking the force of my evidence, I suppose.

33,129. From that evidence, if it had been correct, I should have inferred that you were of opinion that there might probably be an almost illimitable production of silver if it could be obtained in that way. What is your view about the prospects of production?—At that time, when I did give that testimony, that and other evidence of the existence of what you may call an almost unlimited supply of the ores of silver in the remote parts of Mexico and in parts of South America, had given me a wrong impression as to the possibilities of the production of silver. I still think the ores are there but it costs too much to get the silver. I afterwards investigated that matter, and with the correction that I make that description of the art of obtaining silver is substantially true. But that deposit is far away in a waterless country, where even with that big supply of ore it does not pay to take it out any more than it does in Potosi or in some of our poorer veins or from our most refractory ores.

33,130. (*Mr. Elton.*) Can you tell the right honourable gentleman the name of the province?—I cannot remember.

33,131. (*Mr. Chaplin.*) You are aware that one of the objections that is frequently raised to the policy of the party who are called bimetallists has often been this: that there might be from America an almost illimitable production of silver, and consequently that that might upset and entirely vitiate any legal arrangements that might be made with the view of maintaining the parity or the ratio, whichever might be settled upon between the metals. You do not hold that opinion as to the prospects of illimitable production then?—No, I do not; and when I was making my report as Commissioner of the Government on Bimetallism in Europe, with which you are probably familiar, I recalled some of my rather fearful prognostics of a

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previous period, and, with the authority of the Secretary of State, I called on every geologist of any repute in the United States to give me an opinion on the future production of silver in the United States. All those reports are incorporated in that Government report, which has become the book of reference, not on my part of it, but on those geologic statements, and on the only correct translation of Soetbeer's "Materialen" that has ever been made, the translation made here having been very imperfect; so Dr. Soetbeer told me himself.

33,132. I am just going to refer again to a very short sentence from that paper which you read in 1889, for the purpose of having it upon the notes. I find that on page 20 of that pamphlet you expressed this view: "Do not mistake me, there are still and will "long be, rich silver-producing camps. . . . . "There is, and there will be, for a long time, a large "and healthy mining industry, and much silver and "gold will be produced; but from all I have seen and "heard, I think that the excessive silver production is "a thing of the past." Now I want to ask you with all your experience and researches and knowledge of that subject, if that paragraph still correctly expresses your opinions upon that question?—That paragraph still correctly expresses my opinions, and I should go a little further to-day, and say that at the present price of silver, a good many of the less productive mines and low grade ores have ceased to be worked; and on the other hand, on what I believe to be correct information, I understand that the owners of the more valuable ores in Colorado and Nevada, immediately after the cessation of the purchase of the United States, filled the shops in Chicago that make mining machinery with orders for improved machinery, in order to enable them to reduce the cost of production. My view has been, as you are aware, that silver has been depreciated by the extreme abundance of gold, thereby rendering it possible for banks to displace silver in their reserves, the only place where it has ceased to be used. I could give you some curious lore about silver if you wanted it from Judge Grant, the owner of the largest ore reduction works in the world; it would be curiously interesting, but hardly evidence. Our silver product is, in fact, a petty affair, employing in 1889, on the census report, only 33,000 men, and making a product equal in value to about one-third the product of hens' eggs.

Views of United States' economists on bi-metallism.

33,133. Now I am happy to say that I am coming to the end of a very long cross-examination; but I want to ask you one or two questions with regard to sections 35*a* and 36 of your brief. In section 35*a* you say that "President F. A. Walker of Boston, and President "Andrews of Providence, are the two most conspicuous "advocates of what I think is miscalled bimetallism. "They have but little support among our professed "economists." When you say that of the professed economists, do you mean that the economists are opposed to the theory that the maintenance of the ratio is possible, or do you mean that the economists are opposed to the policy, which has sometimes been proposed in the United States, of the free coinage of silver?—What I mean to say is, that the gentlemen whom I have named, President Eliot of Harvard College (who would not assume to be an economist in the professorial sense, but is a thoroughbred man of rare capacity). Professors Dunbar, Taussig, MacVane, and John Fiske of Harvard, are what are called advocates of the single standard. At Yale, Professor William G. Sumner, Professor Hadley, and Professor Farnum, the three principal men, are like-minded. At Columbia, Professor Richmond Smith and Professor Seligmann, who are well known to Mr. Giffen, are like-minded. Outside of these professorial gentlemen whom I have named, Horace White, whom I esteem of the highest authority among the students on finance, is a single standard man; as also are David A. Wells, Carl Schurz, Abram S. Hewitt, Hugh McCulloch (whom I should have named as the man who carried the country through its most dangerous period as Secretary of the Treasury). Then when you go out west you have Professor Laughlin, and if I had my list here I could name a lot of others. The single standard men, as distinct from the alternate or double standard, are in the proportion of eight or ten to one among those who are reputed to be the professorial or academic teachers of political economy.

33,134. With regard to some of the names you have mentioned, Dunbar, Taussig, Hadley, Seligmann, Richmond Smith, and Professor Laughlin, can you point to any passages in their writings which attempt to controvert the arguments of Professor Walker. Are they in conflict with him?—They are distinctly in conflict with him. They have earlier or later presented the other views. I do not think they have taken issue with him since he began his late movement for a bimetallic league, but I speak of what I do know from personal correspondence, and from the responses to that privately printed document of which you have a copy.

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33,135. I asked the question because my information is different to yours—I do not question your authority, of course, for a moment, but still, I thought there might be some misapprehension, and I rather gather that you admit yourself that you are not aware that they have come in conflict with Professor Walker since he started or advocated his bimetallic league?—No; in fact, I was the only one that thought that movement of sufficient consequence to take it up.

33,136. When you mention these gentlemen whom you have stated, and whose names I have repeated, as what you call single standard men, am I to take it from you that that means that they are opposed to international bimetallism?—I ought not, perhaps, to speak distinctly and positively for them. I should simply say that, so far as I know their opinions, they regard the attempt to secure a treaty of international legal tender under the name of bimetallism as futile, and probably inoperative in any event. That is my judgment from very close personal intercourse with all of them, and they hold positions of eminence corresponding to such men as Marshall, Sedgwick, and Foxwell over here.

33,137. You cannot point to anything in the writings of any of these men that I have named in support of that view?—I happen to know what many of them have written, and that is the whole tone of their writings, but, of course, I cannot give you chapter and verse. If you write to each of them they will doubtless be very glad to respond and give you exactly what they do think. I am not entitled to speak for them on questions of detail.

Legal tender.

33,138. You said just now in the course of your evidence, as I understood, that you yourself were opposed to all interference with what you call natural laws in regard to money; was that so?—I hold the choice first of iron, then of copper, then of silver, then of gold, as the unit of value has come through a process of natural selection according to the changing conditions and commercial progress of the centuries, and that it asserts itself and is an element in monetary progress. We have not yet discovered any substance to convert into a unit of value which is subject to so little variation in the ordinary term of business contracts as gold, and therefore it has become the unit of value in international commerce throughout the world to which no local act of legal tender is or can be applied. Then I have gone into a research—a long and rather exhaustive one, as to the origin of the conception of legal tender. I never got my mind clear until I reasoned upon the substance and working of legal tender acts. I made up my mind *à priori* that when good money was in circulation by weight, and the true weight was offered, no legal tender act could ever have been conceived, because the man to whom the true weight promised had been offered would be very glad to take it, and it required no force to cause him to accept it. Then I searched for the origin of legal tender and I found it first in Greece, in the time of Solon, where the farmers had entered into mortgages under penalty of slavery if they could not pay. They could not pay, and Solon depreciated the drachmae 27 per cent., and by a decree of legal tender scaled down all the mortgages. Then I found in reading Ihnes' History of Rome—the latest and most authentic—that in the Punic Wars the Consuls or the Governors of Rome depreciated the copper coin of Rome and tried to make it legal tender, with the usual results of disaster. Then I traced it down to the time of Charlemagne and over to the time of Edward the 1st, and down to the time of our own revolutionary war, where the legal tender currency of the revolution came much nearer to giving you the victory than any of your other efforts. I found that in every instance a legal tender Act had been born in fraud—in the effort to force the creditor to receive money of less intrinsic value than had been promised him Therefore, I have come to the conviction which China came to long ago, that there should be no legal tender Act, and that money should pass wholly by weight on a lawful unit of value. I find that in all international commerce it is the exact

weight of the precious metal in each coin which gives it its valuation or estimation, and that if you tamper by legal tender Acts with the standard of international coin I think you will immediately have a new standard or unit of commerce of 100 grains or 100 pennyweights, or some metric system of weight of gold in specific terms.

33,139. Confining ourselves entirely to gold and silver for the moment, when you say that you object to interference with natural laws, do you mean that gold and silver should be placed on the same basis—on an equal footing?—If you ask me what I would do if I were dictator——

33,140. I want to know what you mean by saying that you object to an interference with natural laws—you mean that those two metals should be left to themselves—is that it?—Yes, or three or four.

33,141. But confining ourselves to gold and silver?—Yes.

33,142. They should be left to themselves to operate on an equal footing, though at present gold is made legal tender by law, while silver is not?—I would repeal all legal tender Acts if I had my way, except for the perpetuation of evidence that a man had attempted to fulfil his contract according to his understanding of it.

33,143. Would you enact that gold should cease to be legal tender?—I would repeal legal tender Acts which gave a choice of the kind of money in which payment shall be made, and I would give new names to the coins, and open the mints to the free coinage of gold, silver, copper, lead, paper, or leather, and let everybody make his own contract, and then enforce it. That is what I would do.

Maintenance of gold standard in the United States.

33,144. You also expressed the opinion—this is on another subject—that the United States of America would never change their gold standard?—That is my opinion, and always has been.

33,145. (*Chairman.*) For international purposes I think you said?—For international or for domestic purposes except under the stress of war, and I do not think we would ever do that again even in war. We have had our lesson for one century.

33,146. I was alluding to something else—you said even if they did change it by law gold would still remain the standard for international purposes?—What I meant to say then was even if the United States could be persuaded or could persuade other nations to go into a treaty of international legal tender, the merchants and bankers would immediately contract themselves outside of the treaty and conduct their exchanges on the weight of gold or by bills of exchange drawn on specific terms of gold by weight.

33,147. (*Mr. Chaplin.*) When gold and silver were equally legal tender prior to the closing of the mints in the United States, did the bankers think it necessary to adopt that course?—No, because the silver dollar was worth 102½ cents, and it was melted and sent to France as fast as it was issued from the mint.

33,148. If there was an international arrangement arrived at which put silver in the same position as it occupied then why should the bankers think it necessary to adopt that course in the future, and bid more than they did in the past?—Simply because we maintained the gold standard and shoved the silver over on to France as fast as they wanted it, and would do it again if they did the same thing.

33,149. They did not contract themselves out of their engagements; they did not ask to be specially paid in gold; and if the same state of things was restored as existed before why should it be more necessary in the future, and why should they adopt that course?—Because the ratio of silver to gold has changed so utterly.

33,150. Quite so, but I am assuming that the old state of things was restored?—If you restore the ratios of silver to gold bullion which existed prior to 1873, with the Latin Union in force, and the mints of Europe open to free coinage we should not care anything about it.

33,151. That is exactly what I wanted to arrive at. Then under the circumstances the bankers would not think it the least necessary to make their contracts specially in gold?—Not at all. (*The witness when correcting his evidence wished to add the following words.*) *But only on the supposition that you can establish value by statute or treaty.*

33,152. Now when you say that America will never change her gold standard, are you acquainted with the views and the recent utterances of any prominent public men upon the question in America?—Who, for instance?

33,153. I will, for instance, take Mr. Read?—Yes, entirely.

33,154. Mr. Read is a prominent public man, I think, is he not?—He is—very prominent.

33,155. He was the Speaker of the House during President Harrison's administration?—Yes.

33,156. I am going to ask your attention to one or two statements that he has recently made, and then to ask you whether you still adhere to the opinion that there would be no change in the gold standard?—I know just what he said.

33,157?—You do?—Yes.

33,158. He was asked by an interviewer to give a glimpse of the future policy of the Republican party, and among other things he said this: "One thing, at "least, I have learned since the cessation of the silver "purchase last year"—that is, since the repeal of the Sherman Act—"that cheap silver is an effective "stimulus to Asiatic exports, and this being the case "we have got to consider silver and the tariff not as "two issues, but as one." Now with regard to the stimulus that the cheapening of silver must be reducing the prices in America, are you aware that this opinion is expressed by Mr. Read, which is an aspect of the question which I am free to confess has only since last year attracted our notice in European States—that aspect being this, that cheap silver enormously assists Asiatic exports, and, therefore, places American agriculturists in a very great difficulty. I ask you whether you are aware that that is the opinion which has been expressed by a very prominent public man?—Yes; it is a matter of common notoriety.

33,159. That does not shake your views at all as to the possibility of a change in the standard in America?—Not a particle. I may add that I think this change of front on the part of some prominent Republicans has excited more derision than conviction.

33,160. Can you name any of the prominent men in public life, in the Senate, for instance, at this moment who are opposed to international bi-metallism?—I should not undertake to do so.

33,161. Do you think they may all be in favour of it?—I do not say that they are, or are not. I should not express an opinion upon that point. I think you are quite as ready to find that out as I am.

33,162. Then when you say that there is no probability of a change in America from their present gold standard, you do not found that at all upon the opinions of public men in whose hands to a great extent that decision might rest, but you found it entirely upon your own opinion and convictions?—I think I have given as full and complete a basis for my convictions as it is possible for me to give. I derived them from my own investigations, and not from the changing and variable opinions of gentlemen who are in political life, who are now manœuvring for position with a view to subsequent elections, both on the tariff, on the Bank question, and on the monetary question.

Effect of low prices on future production of wheat in America.

33,163. I have only one more question to ask you, and that is with regard to the future of prices and the future of American production. You still anticipate, I think, that American production in wheat will continue to increase, even at the present rate of prices?—I expressed the opinion that our supply would be maintained at or about 25*s.* per quarter in London to the extent of your wants on a gold basis.

33,164. And the capacity of America for production is still very great, I understand you to say?—I should say practically unlimited at a price.

33,165. Any price above 25*s.* a quarter?—With a considerable rise above 25*s.* a quarter, say 30*s.*, I should expect to see an enormous increase in the supply.

33,166. I believe in the "Forum"—I believe that is the name of one of your magazines, is it not?—Yes.

33,167. Some three or four years ago an article was published which received the support of some very eminent statisticians in this country, to this effect, that America had got to the end of its tether pretty nearly, in the production of wheat, and that within the course probably of a few years—by the end of the century—we might look forward to the time when America would

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become a wheat importing country. Do you hold those views at all?—Not in the least degree, unless the Argentine could furnish wheat at a profit, at 15*s.* to 20*s.*—then we might import wheat from the Argentine, because something else would pay us better. We do not object to cheap bread.

33,168. It was held out to us that there was a prospect of a rise in the prices of wheat, and perhaps a considerable rise, for that reason, that America after some few years would be a wheat importing country, and not be able to grow enough to maintain herself; but you regard that as a dream?—I regard that as an utter delusion.

33,169. Altogether?—Altogether. At and above 25*s.* we shall probably continue our big crops. You must take my opinion and judge for yourselves what it is worth.

Maintenance of ratio between gold and silver.

33,170. I have only one more question to ask you and it is in reference to a statement made in your pamphlet to which you directed our attention yesterday called "Some suggestions on methods of investigation in monetary science." You conclude it in these words—you are referring to the possibility of maintaining a ratio between the metals by an international arrangement—and you say, "I simply regard this matter as one "which it is beyond the power of treaty or legislation to "control." Are you aware that a commission was appointed in this country to examine into that question five or six years ago, and that they came to the unanimous conclusion that it was within the powers of treaty or legislation to maintain a ratio, provided the ratio was fixed at something approaching to the market ratio?—I am perfectly aware of it; but I observed this important qualification—*provided* the ratio was fixed at something approaching the *market value*.

33,171. That does not alter your opinion?—Not a bit. How long would it last?

33,172. The ratio up to 1873 for a very great number of years was steadily maintained?—If you think so.

33,173. Or practically steadily, is that not the fact; do you dispute the fact?—No, it so happened.

33,174. Then can you point to any special or particular circumstances now which should make that impossible at present, which from experience appears to have been perfectly possible in the past?—I think that is merely a coincidence.

33,175. Merely a coincidence, is that the only way in which you can explain it?—Yes, merely a coincidence of the legal ratio with the market value for a considerable period. I do not think it established the equivalent use of gold or silver in any country in the Latin Union; they always either went on silver or on gold; one or the other.

33,176. (*Mr. Giffen.*) That is to say the ratio was not really maintained?—The ratio was not real; there was a variation of a sufficient per-centage either to drive out the silver or to drive out the gold. And here I want to put in one important point in my judgment. You have the Gresham law that the poorer money, which is legal tender, drives out the good money. I think I am right in saying that in that commerce to which no legal tender Act has been or can be applied, the good money which is not a legal tender, drives all the poor money out of circulation, and in that way the standard or unit of all international commerce has become exclusively gold.

33,177. I believe you are aware that Adam Smith held the opinion that in certain cases the good money took the precedence of the bad money, and that it was not always true that the bad money drove out the good?—Yes.

33,178. (*Mr. Chaplin.*) You speak of dearer money and cheaper money, or good money or bad money; how can there be any cheaper money or dearer money if the ratio was effectively maintained between the two metals?—If?

33,179. Yes, if?—I discount the "if."

33,180. Exactly, but assuming the possibility?—If you can maintain the price of any two things of varying cost at a fixed ratio I have no objection to your doing it. I do not think you can, and I fully adopt Cernuschi's fire test about it in these terms. I quote from memory: "That only is good money which is "worth as much after it is melted as it purports to be "worth in the coin."

33,181. Assuming what now you think a remote possibility—that 12 members of a Royal Commission in England were right and that Mr. Atkinson was wrong—on that assumption you would think that the question of cheaper or dearer money, or of dearer money being driven out by cheaper money would not arise and could not arise?—Well, I apologise for differing from the conclusion of the 12 members of the Gold and Silver Commission. My general observation is that the man who adheres to his own opinions on his own investigation is the man who is ultimately justified.

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33,182. Thank you; that is the only answer you have to my question?—I defer with great respect to the opinions of Lord Herschell and the other eminent members of that Commission. I was a little disappointed in their results, and I did not come to the conclusion that you could regulate the price of any commodity or its ratio to any other commodity by statute regulations. If you can, why use silver; why not go to paper at once?

Estimated cost of placing wheat on the London market.

33,183. (*Mr. Little.*) Have you arrived at your estimated rate at which wheat could be put upon the London market upon the basis of the cost of production, or simply by calculating what is the difference in the cost of harvesting and delivery now and at a former period?—I have reached it in this way—that at a given period a few years since the price in the London market evidently yielded a very handsome profit to the American farmer, because he increased his crop as fast as he secured capital to enable him to do it. We borrowed capital on mortgage, and he paid his debts out of the product. From that date down to the present you can measure certain changes in the cost of production and distribution, which being deducted from the price did then leave him still a very stimulating profit, and would now apparently leave him a moderate profit, and would make the continuance of the production sure.

33,184. That is to say, your estimate is not at all upon the basis of the cost of production?—I have, as I have said many times over and over again, tried to get at the unit of cost in money of beef, of cotton, and of wheat, and have never been able to get any satisfactory result. You may get from the Agricultural Experiment Station in Texas the most complete mathematical statement that has ever been made of the cost of producing and marketing a bale of cotton about four cents a pound. You may get from George W. Palmer, of Saltville, South West Virginia, the most accurate computation, on the whole, that I have ever seen of the cost of making a pound of beef. You may get from George S. Berry, of California, in the San Joachim Valley, the most extraordinary statement of the lowest cost of wheat at the highest rates of wages paid anywhere that I have ever seen—but it is no guide to anybody, it is exceptional. I once asked an old friend who had been very long a cotton planter and dealer in Augusta Georgia, "What is the cost "of a pound of cotton?" He said, "I will reply "to you Yankee-fashion. My neighbour, So-and-so, "has a boy who is fitting for college. His father is "poor; he wanted him to pay his own expenses last year "in his odd time between his studies. The boy made "four bales of cotton and picked them. What did "it cost?" That is the way the cotton crop is made just now by small cotton growers everywhere, who are subsisting some other way, and who make their cotton as a cash crop. That is the way in which a very large portion of the wheat is now being made. Who can define its cost and separate it from the other products on which the farmer subsists?

33,185. To make your estimate a sound one we must suppose we have taken into account all the differences that may have taken place. You have taken the reduction on the cost of handling, harvesting, and delivering this corn, but you must assume that this corn is grown otherwise at the same expense as before?—As far as I can learn it is rather a diminishing expense.

33,186. Have you taken into account the harvesting expenses?—I have taken that into account.

33,187. Labour has risen?—As it has risen I think it has become more effective. Among those tables that I put in you will find some extraordinary tables of textile factories that I know about. In 1840 the hours of labour in a woollen mill were 14 hours a day, and the farmers' daughters of New England, who were intelligent people, earned 4⅓ cents an hour, and found it a step in advance to do that kind of work. The hours of labour in what purports to be the same mill

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to-day are 10, and the earnings are 13 cents an hour, almost all foreign operatives; but the cost of labour in the cloth per unit of yard is less now than it was before. That is true in the cotton production and manufacture very surely. I know that business well.

33,188. But my point is that you have only taken certain circumstances into account and that you have assumed that otherwise the cost of producing wheat is the same. I suppose that the centre of wheat cultivation recedes further and further, does it not?—Yes.

33,189. The distance to be travelled becomes greater?—Yes.

33,190. So far that would tend to diminish the saving on the cost of delivery?—The reduction in the charge by the rail goes down faster than the distance increases.

33,191. The greater distance partly takes off the saving, does it not?—It takes off a part of what might otherwise have been made.

33,192. My view is that you must not take off the whole difference in the cost of delivery if the distance from which the delivery is to be made keeps increasing. If you take from a fixed point, say Chicago, the cost of delivery has diminished by so much as you say—11*s.* a quarter—but it was reckoned in 1879 by Mr. Pell and Mr. Read at 5*s.* 2*d.* a quarter?—Yes, my point was west of Chicago.

33,193. You say it has diminished 11*s.* a quarter; then if you go further and further beyond Chicago every year there must be that additional expense?—Not necessarily, when the railway charge diminishes, or when the rail is brought nearer the farm.

33,194. I do not mean to say that it makes it larger, but it makes it larger in proportion than the cost is nearer to Chicago?—Not necessarily, because at the time Messrs. Pell and Read spoke, the whole of that wheat was hauled several miles along a common road, and the extension of the railroad having reached the farm has made the cost of delivery less. I assume nothing that I can get a fact upon.

System of cultivation in the Eastern States.

33,195. In regard to the system of cultivation, I think you stated that very generally, at least, in the Eastern States, wheat has come to be a rotation crop instead of being a crop on virgin soil?—Yes, of course.

33,196. Does that not increase the expense of growing wheat?—I cannot answer that. I can only say that the land in and about Genesee county, and in Southern Pennsylvania, the two great eastern wheat sections, is to-day worth a great deal more in the market than it was when it was exclusively devoted to wheat.

33,197. Because it is near the population, I presume?—They still grow wheat upon it.

33,198. As a rotation crop?—As a rotation crop.

33,199. You probably know enough of agriculture to know that in England, at any rate, it is supposed that some of the crops are grown with the object of storing up fertility for the grain crops?—Yes, of course.

33,200. And grown at a loss?—I said I was not a farmer; but I am perfectly familiar with country affairs; I have always lived in the country, and I am not ignorant upon those points.

Estimated cost of placing wheat on the London market.

33,201. Then may we take it that this is only an estimate based upon the difference in the cost of handling and delivering the goods, not upon the basis of the actual cost of production?—Mainly on changes in the mechanism of production and distribution, but also on a change from mere cropping to intelligent cultivation.

System of land tenure in the United States.

33,202. (*Mr. Lambert.*) You said the system of land tenure in the United States is very different from that in this country?—Yes, it is.

33,203. Could you give us a short outline of the system of land tenure in your country?—As I comprehend your methods, your title passes by the delivery of documents, and it is essential that all the documents should be continuous, and that the record upon the documents themselves should be complete, and your possession of land rests upon the possession of these title deeds. Now with us the title deed, you may say, is a mere evidence of the transfer of the land from A. to B., and when B. receives his title, or is preparing to receive his title, instead of calling for the previous deeds and conveyances in their exact form he goes to the registry where all previous deeds have been registered, and he searches the record without having any possession of the instrument itself. Finding that record complete, he then puts the deed to himself on the record, and that gives him a title to that land, and he may then burn up all the original deeds and yet his title is good by the registry

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Cost of transfer of land in United States.

33,204. What does it cost to transfer land in that way?—Very varying sums depending upon the places, and the complexity of the sub-divisions. On farm lands in the West which have been dealt in by quarter sections, which have not been cut up, and which are based on Government surveys, the cost of transfer is very small. In the cities where there is a long record of continuous changes and cutting up into sections, the search of title costs a good deal of money, but I think, on general ideas, very much less than it does here.

33,205. Take an agricultural farm of 500 acres, what would a transfer in that case cost?—I cannot tell you; but it would be a very small matter. I should think if you take any moderate sized farm in Massachusetts it might cost 20*l.* to search the titles sufficiently; but it is a mere guess, I cannot tell you exactly, it is out of my line.

33,206. Do I understand that in the case of intestacy, the land is divided amongst the children of the deceased?—In equal proportions, with a right of dower to the widow. I am not exactly up in those things. We are now contemplating, and Massachusetts is taking the first steps towards it, the adoption of the Australian or Torrens system of registering titles rather than deeds, and in many parts of the south I think they will be practically obliged to advertise absent or lost claimants out of existence by notices such as are taken in the Probate Court, and resettle all the lands because the titles are so bad in the mountain sections, and the value is rapidly rising.

System of land tenure in the United States.

33,207. Take the case of a man occupying land owned by another man; have you any acquaintance with that system of tenure or tenancy?—That would be under an ordinary lease.

33,208. I suppose you could not speak authoritatively upon the minute details of those tenancies?—I cannot, I am not a conveyancer or a lawyer; I can only say that a man may own land which is fit for agriculture, and may lease it to somebody else at his peril because the lease would be only the ordinary lease, and if the man skinned the land, and took all the vitals out of it there would be no remedy.

33,209. There would be no remedy?—No; we have practically none of your customary terms in leases for keeping up the land and working the straw and all that sort of thing. That tenure is practically unknown.

33,210. The farmer has practically freedom of cultivation in every direction then?—He has absolute freedom of cultivation in every direction; it is very rare that there would be any conditions. I do not know what may be coming up in some of those tenancies in the west; but in the east the conditional lease is almost unknown.

33,211. But in the overwhelming majority of cases the owner farms his own land?—I have given you the proportion; 80 per cent. of those north of what is called Mason and Dixons' line, that is, north of the old slave line. There are over 4,500,000 farmers, and about the same number of farm labourers. The farmer is a hard worker himself, and the labourer is a potential farmer of the future. We have no permanent separation of the two classes.

Cost of placing United States' beef on British markets.

33,212. Can you give us any estimate as to what price per pound beef can be placed in our markets from the United States?—No; I have said that I have endeavoured to find that out and have failed in all the instances.

Butter trade in the United States.

33,213. Do you imagine that the United States will ever become competitors with this country as regards dairy produce; such as butter?—I believe we are exporting a great deal of butter and cheese to you now, are we not—I think we send immense quantities of cheese.

33,214. I am talking rather more of butter?—I think we are exporting very large quantities of butter to you.

33,215. Do you calculate that that trade will increase or decrease in the future at the present rate of prices? It will be apt to increase, I should think. Dairy farming is very profitable just now, when you conduct it with intelligence.

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Farming New England.

33,216. You instanced a farm which cost 20*l.* an acre in New England, or was worth 20*l.* per acre; what would be cultivated upon that land?—They would raise stock and vegetables, and dairy products and eggs, Indian corn, hay, and if it was near a city, all sorts of what we call garden truck.

33,217. Would such farmers as those raise the produce for export, or for consumption near their own holding?—On farms near cities mainly for consumption near their own holding; they raise perishable products in the neighbourhood of cities, but we move eggs a 1,000 miles or more. There are cold storage egg cars made on purpose which run from Michigan to New York, and from other western States, over a 1,000 miles for the conveyance of eggs under safe conditions. The egg crop, you may call it, of the United States, is worth somewhere about 120 million dollars, twice or three times the silver product in value.

Co-operation amongst farmers in the United States.

33,218. Have the farmers any system of co-operating together, or of joining together in the sale of their produce?—They co-operate together under articles of incorporation for establishing creameries and cheese factories, and in many parts of the west, for buying harvesting machinery; but co-operative farming I never heard of.

33,219. In what part of the United States are co-operative creameries and cheese factories mostly in vogue?—I could not tell you. I have heard of them, but I cannot say where. I should say that it was really a limited company rather than what is technically known as co-operation. What is technically known as co-operation has no great success on our side, and probably never will have.

Tendency towards free trade in the United States.

33,220. You said in answer to another question that the farmers were beginning to realise that they were selling in a Free Trade market, whereas they were buying in a Protectionist market?—I think they are.

33,221. Do you anticipate from that that the feeling in favour of what is termed Free Trade or Free Imports is growing in the United States?—I think it is distinctly growing; and as a free trader myself in principle, I am only afraid that it may assume the type of revolutionary change, and go too fast for good judgment. It is distinctly tending that way.

33,222. I want to get the general drift of opinion?—There may be a temporary reaction, you know.

33,223. What is the general drift now?—The general drift is through freer trade to by-and-by what you call British Free Trade; that is, to Free Trade qualified by an assumed necessity for collecting part of the national revenue from duties on imports. You will observe, in some of the papers that I have put in that all the normal expenses of the United States Government for the Civil Service, the Army, the Navy, the Public Buildings, and everything except what we have inherited from a state of war, are now covered by the taxes on liquors and tobacco, domestic and foreign. What I call the normal cost of our national government comes to $2.50, or 10*s.* per head, and is very uniform. The only necessity for a general Customs Revenue at the present time is to meet the pensions, and a part of the interest on the Public Debt. The pension obligation has culminated, and is rapidly diminishing in the natural course of events, so that within a short term of years it will become relatively an unimportant matter, even in mere dollars. Therefore the potential of a very low tariff is in our hands, whenever the mass of the people choose to take that direction.

His qualifications and those of economists compared.

33,224. (*Mr. Everett.*) I notice that in paragraph 4 of your brief you say that you are not an economist of the abstract or academic order, and that while you are very familiar with the hypothesis of the deductive or *à priori* school, you pay little regard to their theories until you can sustain them on well-proved facts. I gather from that that you rather think the economists of the abstract or academic order do not ground their theories on facts; that you are rather a specialist there; that they disregard facts at the academies in forming their economic theories while you are an exception, and base your theories upon well-proved facts?—I merely would say that I am not a University man; I have been 52 years at hard work, and I have made my study of these subjects from the standpoint of a man who, in a modest way, has taken a small part in the development of the last 50 years. I have some reputation for combining statements of fact. I am quoted about as often by one side as the other, and held in repute to some extent.

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33,225. I beg your pardon. Then I notice in the next paragraph you state that you suppose you may claim to be considered an authority on many points. Do you think that you may be considered to be an authority on the condition of agriculture in the United States; is that one of the points on which you consider that you speak with authority?—I would state that the facts which I submitted in regard to the general condition of the farmers in the address to the New York Chamber of Commerce were received with surprise, but were accepted as authoritative, and published by them without any solicitation of mine; and while the Chamber of Commerce did not commit itself to what I or anyone else may say in such an address, they would not be apt to publish those facts unless they thought my authority would warrant them in doing so.

33,226. You are not a practical farmer yourself, I gather?—I am not.

33,227. Do you speak of the condition of agriculture from personal knowledge, or from hearsay, so to speak?—I could not admit that I speak from either. I speak of the conditions of agriculture from such power of observation as I possess in going through the country not infrequently, but not from hearsay, unless you call such testimony as this of the individuals themselves testifying to their own success hearsay.

33,228. Then from the last part of that paragraph I gather that among the labour leaders you have a certain amount of unpopularity?—They are very apt to invite me to speak at the unions and so forth, and I generally go for them in a pretty savage kind of way, but they ask me to come again.

33,229. You give it that, as one of the workmen expressed it, they say, "We don't like ye one bit, but "we can't git along without ye?"—They do rest authority on my statements of fact, and I suppose I have some influence.

Parity in value of silver increased in agricultural produce.

33,230. Then coming to paragraph 8, you there speak of having published an article in the "Fortnightly Review," in 1880, in which you showed that the improvements in the processes of agriculture in milling and in moving crops by rail and water, would soon make 34*s.* per quarter as good a price to the western farmer as 50*s.* in Mark Lane had been; do you not imagine that all the while that improvements have been going on in agricultural processes of production, improvements have also been going on in the art of extracting the precious metals, and would not the presumption be that there would be some kind of parity preserved between the precious metals and agricultural produce; and further, is it not the fact that such parity has been preserved as between silver and agricultural produce, and is it not the fact that an ounce of silver through the world to-day, uncoined silver, will exchange for just about the same quantity of agricultural produce as it would have done 20 years ago?—I have not looked into that, as I did not regard it as an element of any particular consequence. I am inclined to think that the production of silver in the United States has been cheapened even more than the production of agricultural products—considerably more—especially in the copper regions of Montana, where the silver may be said to cost nothing, for the copper pays for itself, and the silver is so much clear gain.

33,231. If the law of the United States had not stepped in to divest silver of free coinage and legal tender, the farmer in the United States would be receiving about the same money for his produce to-day as he did 20 years ago, would he not?—Possibly; and possibly he might not have been able to buy half as much for what he received as he does now. The farmer wants good money of the highest purchasing power.

Condition of farmers in the United States.

33,232. You have told us broadly that in your opinion the farmers in the United States, with the exception of this last year, have been in very good condition. Of course, it has been abundantly brought to your notice that that is in diametric opposition to a considerable weight of testimony which has come to us from a member of our own Commission, and from his son, who has been backward and forwards to America for the last 20 years. I have also two or three short references to opinions which have been expressed on the point; one is an article in the "Nineteenth Century," of November 1892, which was entitled, "The Ruin of the American Farmer," and which is written by William Maitland. Amongst other things, he says: "In every State the mortgages are increasing with "amazing rapidity, and even so they are not keeping

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"pace with the necessities of the farmer; ordinary "lenders are getting afraid to lend to him"?—I would state in reply to the point you desire to make, that I am aware that you have had brought before you evidence, a report of which I have seen, which is entirely inconsistent with the facts which I have brought before you. I thought that evidence was superficial and was not based on a sufficient knowledge of the facts, and thinking it somewhat important to yourselves, and yet more to my own country, that you should have the facts, I came here for the very reason that I regarded that evidence as superficial and insufficient.

33,233. (*Mr. Chaplin.*) You would like to have an opportunity of contradicting it?—I wanted to have the opportunity of putting what I believe to be the truth, before you. Of course, the other men may be right. I am afraid I cannot stay any longer to-day.

33,234. (*Mr. Everett.*) I think it is very unfortunate that you should come here and give evidence in chief, which is diametrically opposed to anything that has been given before, and that there should be any flinching from cross-examination?—I have not flinched. I think I have been very reasonable in the amount of time I have given you. I came over here for rest and recreation, and it seems to me that I have extended to you the utmost courtesy you could ask of me. I will come again if you want me to by and bye, but I think you cannot ask me to stay any longer now.

Reduction of freight rates on wheat from Western States to the seaboard, 1873-87.

33,235. (*Chairman.*) There is just one question I should like to ask you, and I think I must ask you before you go. When you spoke of the cost of carriage of wheat from the Western States from 1873 to 1887, as being reduced by 11*s.* a quarter, did you refer to Chicago especially, or were you referring more generally to the carriage from the Western States?—My analysis covered a much wider area than merely Chicago to the sea.

33,236. Then it would be no answer to you to say that the freight from Chicago to New York has not been reduced to that amount?—Not at all.

33,237. You were speaking of the centre of the corn growing district?—I estimated as closely as I could the average cost of getting wheat from its place of production to the seaboard through Chicago. The rates west of Chicago were then much higher than they were east of Chicago, they are now about as low.

33,238. Then the 11*s.* a quarter did not relate to the reduction of freight from Chicago alone?—Certainly not. I went through that in a most exhaustive way.

33,239. (*Mr. Chaplin.*) I must clear this up because it arose in my cross-examination. What I referred to was Mr. Atkinson's written statement in his pamphlet in 1887; and what he said was this: "The first con- "sideration is to be given to the reduction in the "railway charge for moving produce from Chicago to "the seaboard, a little less than 1,000 miles. This "reduction has been on the average traffic a little "more than one cent per ton per mile, comparing the "rates of 1870 to 1873 inclusive, with those of 1883 to "1886 inclusive." It was upon that statement that I cross-examined you; do you adhere to that?—That I adhere to; and that is perfectly consistent with the statement I have made now. The largest element of reduction had been between Chicago and the seaboard; but in my statement I undertook to get as near as I could to the complete change in transportation on an average distance of 1,400 to 1,500 miles, of which Chicago to the sea came to 1,000.

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33,240. (*Chairman.*) And in your evidence in chief you did not in this connexion mention Chicago at all?—I think not.

33,241. On the contrary you stated that that was the reduction in the cost of conveyance from the corn-growing districts?—Yes.

33,242, And you mentioned several States which were far beyond Chicago?—Far beyond.

33,243. Such as Minneapolis, and so forth?—Yes, that is 1,400 miles off. It is the great wheat centre of the State of Minnesota.

33,244. Could you supply the Commission later with the specific data on which you formed that opinion?—I do not believe I could. I certainly could not on this side of the water.

33,245. I mean when you get back to America, because it is a very important and interesting point?—Well, it is a past chapter. The mass of material that I had to go through to make that computation, you can hardly conceive of. Then I verified it by merchants and by the railroad men, and I assure you that I did everything that a man could do, to make it accurate, but the matter of real importance is the present cost.

Price of wheat in America.

33,246. (*Mr. Everett.*) I can understand how all these reductions in the cost of transport can enable the corn to be sold at a less price here; but has not the price in America itself fallen just as much as it has here?—Certainly, and there was, to a certain extent, a disastrous effect for the time being on the Eastern wheat grower which struck him even before it struck you; it altered all the conditions of agriculture, and soon brought an adjustment in which many men were subjected to the same difficulty that you now have here. I think we can change our methods more quickly than you do.

33,247. I should have thought that lessening the cost of sending it to a distant market by taking the corn out of the country, would have raised the price in the country itself?—The first effect of western competition and of the low rates of freight changed all the conditions of Eastern agriculture before you began to feel the serious effect of it. I speak from general observation.

33,248. What sets the price of wheat in America?—What the excess will bring for export. It does not make any apparent difference in the consumption of wheat whether it is about four dollars or six dollars a barrel. About a barrel of flour a year is consumed by each individual, and that quantity or consumption does not seem to vary with the price.

33,249. You have tried to account for the fall in the price here by the economies in transit between America and here; but curiously enough in your country itself the price has fallen just as much as it has here?—Of course it has. There is only the difference of the ocean freight. I was told that there was wheat on the steamer that I came over in, which barely paid the cost of putting on board and discharging.

NOTE.—The witness subsequently sent the following note upon his evidence:—

"Lest it should be assumed that every mortgage recorded in the United States has been listed and computed, I beg to say that my intention was to testify that every registry of mortgages has been the subject of the census research, and by methods which are fully explained by the authorities the conditions of all mortgages have been deduced by methods which leave but little margin for error, and which have satisfied me that the returns are as nearly absolute as such returns can ever be."

The witness withdrew.

Adjourned.

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MR. HENRY BUTLER BOMFORD, tenant farmer, Warwickshire.

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MR. JOHN W. BROUGHTON, land agent, surveyor and valuer, Skipton, Yorkshire.

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MR. CHARLES W. SMITH, late partner with Messrs. Whitaker, Whitehead & Co., general brokers, Liverpool.

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MR. CLARE SEWELL READ, tenant farmer, Norfolk.

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MR. W. T. SIMPSON, valuer and auctioneer in the Eastern Counties.

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THE RIGHT HON. SIR MASSEY LOPES, Bart., landowner in South Devon.

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MR. SAMUEL ROWLANDSON, land agent and valuer, Darlington.

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MR. ALBERT PELL, owner and occupier of land in the Isle of Ely and in Northamptonshire.

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MR. ROBERT GIFFEN, C.B., Comptroller General of Commercial, Labour, and Statistical Department of the Board of Trade, and a member of the Commission.

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MR. ROBERT LACEY EVERETT, M.P. for the Woodbridge Division of Suffolk.

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MR. SAMUEL BENJAMIN LARGE DRUCE, Barrister-at-law, and Secretary of the Farmers' Club.

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Mr. WILLIAM LIPSCOMB, land agent, Wakefield, Yorkshire.

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Rev. A. L. SPARKES, M.A., B.Sc., representative of the Leicestershire Farmers' Union.

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Mr. GEORGE COOKE, tenant farmer, Chester.

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Mr. HENRY WILLIAM WOLFF, representative of the Agricultural Banks Association.

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His Grace the DUKE OF RICHMOND AND GORDON, K.G., landowner in Sussex and in Scotland.

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Mr. WILLIAM SCOTT FERGUSON, tenant farmer, Perth.

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General Sir ARTHUR COTTON, K.C.S.I., late of the Royal Engineers.

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Mr. WILLIAM HENRY CLARKE, land agent, Cambridgeshire.

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Professor HERBERT SOMERTON FOXWELL, Fellow of St. John's College, Cambridge.

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Mr. ANDREW HUTCHESON, tenant farmer, Perth.

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Mr. ANDREW RALSTON, land agent, Glamis, Forfarshire.

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MR. JOHN EDWARDS, tenant farmer, Crewe.

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MR. THOMAS PARTON, tenant farmer, Crewe.

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MR. WILLIAM BELL, tenant farmer, Forfar.

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MR. THOMAS MERCER, tenant farmer, Kirby, near Liverpool.

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MR. WILLIAM E. BEAR, late Assistant Commissioner to the Labour Commission.

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MR. HENRY HALL SCOTT, tenant farmer, and representative of the Newcastle Farmers' Club.

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MR. GEORGE MUIRHEAD, land agent, Aberdeen.

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MR. CHARLES HOARE, banker, and owner and occupier of land in Kent.

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Mr. WILLIAM M. ACWORTH, Barrister-at-law, practising before Parliamentary Committees.

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Mr. JETHRO LOWSLEY, tenant farmer, near Newbury.

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Mr. JOSEPH WILKINSON, tenant farmer at Wall-on-Tyne.

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Mr. CHARLES DEWAR, Little Massingham, Norfolk.

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Mr. HENRY R. FARQUHARSON, M.P. for West Dorset.

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Mr. JOHN S. FORSTER, tenant farmer, Northumberland.

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Mr. EDWARD ATKINSON, President of the Boston Manufacturers' Mutual Fire Assurance Company, Boston, U.S.A.

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APPENDIX A.

APPENDIX I.

(*Handed in by Mr. Punchard, see Question* 15,184.)

THIS INDENTURE made the day of 18 between the RIGHT HONOURABLE THOMAS TAYLOUR EARL OF BECTIVE (herein-after called "the Lessor") of the one part and

(herein-after called "the Lessee") of the other part WITNESSETH that in consideration of the rents herein-after reserved and the covenants on the part of the Lessee herein-after contained The Lessor in exercise of a power for this purpose to him given by the Will dated the 2nd day of March 1853 and proved in the Prerogative Court of Canterbury on the 2nd day of June 1854 of William Thompson deceased and of every or any statutory or other power enabling him in this behalf doth hereby demise and lease unto the Lessee his executors administrators and licensed assigns All that messuage or dwelling-house called or known as

together with the several buildings held and enjoyed therewith and all those lands and hereditaments described in the Second Schedule hereunder written except and reserving unto the Lessor and his assigns and other the person or persons for the time being entitled to the said premises in reversion immediately expectant on the determination of the tenancy hereby created (all of whom are herein-after included in the expression "the Reversioner or Reversioners") all mines and minerals woods underwoods trees and plantations on the said premises with power to dig for cut down and carry away the same respectively without making any compensation to the Lessee for so doing And also except and reserving unto the Reversioner or Reversioners all game wild fowl and fish upon the said premises with liberty for him and them and his and their friends and servants to hunt course shoot take and destroy the same upon the said premises at all times during the said tenancy as regards game other than hares and rabbits exclusively and as regards hares and rabbits concurrently with any other person or persons for the time being legally entitled to the same or the like right To have and to hold the said hereby demised premises (except and reserved as aforesaid) unto the Lessee his executors administrators and licensed assigns for one year from the 14th day of February 18 and so on from year to year until the tenancy is determined at the end of any year thereof either by the Reversioner or Reversioners giving to the Lessee his executors administrators or licensed assigns or the Lessee his executors administrators or licensed assigns giving to the Reversioner or Reversioners six calendar months previous notice in writing yielding and paying therefor unto the Reversioner or Reversioners the clear yearly rent of
by equal quarterly payments on the 12th day of May the 12th day of August the 11th day of November and the 14th day of February such rent to be payable (if demanded) yearly in advance during the continuance of the said tenancy And also yielding and paying during the said tenancy unto the Reversioner or Reversioners as an additional rearly rent such a sum as shall be certified in writing by the Reversioner or Reversioners or his or their Agent to be the apportioned amount of the annual rentcharge for drainage or other improvements payable to the Land Loan and Enfranchisement Company or to some other company or body of the like kind in respect of improvements executed upon the said premises hereby demised during the tenancy such last-mentioned rent to be payable by equal quarterly payments on the said quarterly days herein-before mentioned and the first quarterly payment or a proportionate part thereof to be made on the first of the said quarterly days which shall next happen after the amount so payable shall have been so certified as aforesaid And also yielding and paying unto the Reversioner or Reversioners in the event of and immediately upon the said tenancy being determined by re-entry under the proviso therefor herein-after contained a proportionate part of the said several rents hereby reserved for the fraction for the current quarter up to the day of such re-entry And the lessee doth hereby for himself his heirs executors administrators and assigns covenant with the Reversioner or Reversioners in manner following that is to say that he the Lessee his executors administrators or assigns will pay to the Reversioner or Reversioners the said several rents at the times and in manner aforesaid And will also pay all rates duties taxes charges assessments impositions and outgoings whatsoever now or hereafter to be assessed or imposed upon or payable in respect of the said demised premises or any part thereof (tithe or rent charge in lieu of tithe land tax lord's rent and landlord's property tax only excepted) And that he the Lessee his executors administrators and assigns shall not nor will underlet assign over or part with the possession of the premises or any part thereof without the consent in writing of the Reversioner or Reversioners first obtained for that purpose And shall not nor will sell dispose of or carry away from the premises any hay grass root crops winter eatage straw or other vestures or any manure or compost but shall and will consume the same on the premises and shall and will leave the manure produced during the year preceding the determination of the tenancy for the use of the Reversioner or Reversioners or the incoming tenant (as the case may be) without receiving or claiming any compensation for the same And that for and in respect of any such hay straw grass or root crops which shall be sold with the consent in writing of the Reversioner or Reversioners there shall be due and payable from the Lessee his executors administrators or assigns to the Reversioner or Reversioners one third of the sum realised by such sale unless within three calendar months after such sale an equivalent in manure for the hay straw grass or root crops so sold shall have been laid or spread upon the Farm And also that he the Lessee his executors administrators and assigns shall not nor will in the last year of the tenancy after the corn crop shall have been taken off turn any stock upon the young clover or grass sown with the summer corn in the preceding spring but will cover such crop with manure in a proper and husbandlike manner after the corn crop has been removed And shall not nor will in the last year of the tenancy take in any horses for grazing or agistment or any part of the lands hereby demised And shall not nor will fell or otherwise damage or allow to be damaged by any cattle or otherwise the timber trees and fruit trees belonging to the premises but shall and will keep the same uninjured and shall not nor will lop top nor cut down the same for any use or purpose whatsoever without the previous consent in writing of the Reversioner or Reversioners his or their Agent And shall not nor will without the consent in writing of the Reversioner or Reversioners or his or their Agent as aforesaid break up any of the grass or pasture land nor mow any part thereof more than once in any one year and shall manage the arable land in a husbandlike manner and shall not take two white straw crops in succession from the same land And also that he the Lessee his executors administrators and assigns will keep down all thistles docks and other weeds and destroy all moles and dress down and spread all mole heaps on the said farm And also that he the Lessee or his licensed assigns will personally reside upon the said premises and will not put or store any wool corn potatoes oil cake or anything of the like nature in the dwelling-house hereby demised or any part thereof And also that he the Lessee his executors administrators and assigns will keep and at the determination of the tenancy deliver up in tenantable repair and condition the said messuage or dwelling-house and buildings (such repair to include all doors and windows) and also all gates hedges fences stone walls roads embankments pumps and water pipes on the demised premises And also will keep clear and in working order all drains on any part of the premises hereby demised and clean out regularly and keep clear all open watercourses ditches and outlets to drains upon or belonging to the said premises And shall and will regularly and in proper succession cut lay plash and dyke up with soil in a workmanlike manner such lengths of thorn or live hedges as require the same and allow no gaps therein And shall not nor will allow any of his or their cattle sheep pigs or horses to trespass in any woods plantations or coppices belonging to the Rever-

Appendix A. I.

sioner or Reversioners but shall and will give immediate notice to the Reversioner or Reversioners or his or their Agent Forester or Gamekeeper of any breaches or gaps in the fences of such woods plantations and coppices as adjoin or are intermixed with the farm hereby demised And also that he the Lessee his executors administrators or assigns shall and will at the determination of the tenancy give up to the Reversioner or Reversioners or the incoming tenant as the case may be possession of the land and part of the farmhouse buildings and yards hereby demised on the 14th day of February and of the remaining part of the farmhouse buildings and yards on the 12th day of May then next following and will allow the Reversioner or Reversioners or incoming tenant to enter upon the land to be planted with turnips or root crops at any times after the 1st day of October immediately preceding the determination of the said tenancy to do all acts of husbandry necessary or convenient for the next year's crops, doing as little damage as may be and to have the use of stabling for two horses and room for one man from the 10th day of October previous to the determination of the tenancy until the determination thereof And also shall and will do days' carting with horses in each year for the Reversioner or Reversioners free of any charge And shall and will cart all materials required for the erection or repair of buildings fences and fence walls and all drain pipes for the drainage of the land hereby demised free of any charge And also that it shall be lawful for the Reversioner or Reversioners at all times to enter upon the said hereby demised premises to view and examine the state of repair and cultivation thereof and to give notice in writing to the Lessee his executors administrators or assigns of any neglect or breach of any of the above-stated covenants and requiring the same to be amended and that in the event of such notice not being complied with within a reasonable time the Reversioner or Reversioners shall be at liberty to send workmen to effect such amendments and shall be entitled to recover the cost thereof from the Lessee his executors administrators or assigns in the same way as rent in arrear is now recoverable And that for the purpose of the ascertainment of the amount of any compensation which the Lessee his executors administrators or licensed assigns may be entitled to under the provisions herein-after contained with respect to the matters specified in the First Schedule hereto the Lessee his executors administrators and assigns shall and will submit to the Reversioner or Reversioners or his or their Agent on or before the 1st day of February immediately preceding the determination of the tenancy a statement in writing specifying the particular improvements or matters in respect whereof compensation is claimed under the said provisions accompanied with all vouchers bills or invoices referring to the improvements or matters for which compensation is so claimed and further that the Lessee his executors administrators and assigns shall and will allow the Reversioner or Reversioners his or their Agent at any time to take samples of any cakes feeding stuffs or manures in respect of which compensation may be claimable under the said provisions for the purpose of having the same analysed and examined Provided always that if and whenever any part of the said several rents herein-before reserved shall be in arrear for 21 days after any of the days of payment whether legally demanded or not or if and whenever the Lessee his executors administrators or assigns or any of them shall be adjudged bankrupt or have a Receiving Order in Bankruptcy made against him or them whether on his or their own petition or on the petition of any creditor or creditors of him or them or make any composition or arrangement with his or their creditors or if and whenever any execution shall be levied upon his or their goods or chattels or upon the said premises or if and whenever there shall be any breach of any of the covenants by the Lessee herein contained then and in any or either of the said cases it shall be lawful for the Reversioner or Reversioners to re-enter upon the premises or any part thereof in the name of the whole and to repossess and enjoy the same as if these presents had not been made And the Lessor doth hereby covenant with the Lessee that the Lessee his executors administrators and licensed assigns paying the said several rents on the days and in manner aforesaid and performing and observing the several covenants by the Lessee herein contained shall quietly hold and enjoy the premises hereby demised during the said tenancy without any interruption by the Lessor or any person rightfully claiming through or in trust for him or under the Will of the said William Thompson deceased And also that the Reversioner or Reversioners shall and will allow the Lessee his executors administrators or licensed assigns to have the use of a part of the house buildings and yard until the 12th day of May next after the determination of the tenancy if determined by notice and not by re-entry And also that if the hay produced from the preceding year's crops shall not have been consumed by such 12th day of May the Reversioner or Reversioners or the incoming tenant (as the case may be) shall and will allow the Lessee his executors administrators or licensed assigns a fair spending price for the same And also shall and will allow to the Lessee his executors administrators or licensed assigns the amount paid by him or them for the grass and clover seeds sown in the last year of the tenancy provided such seed crops shall have been treated in the manner herein-before specified And also that the Reversioner or Reversioners shall and will pay to the Lessee his executors administrators or licensed assigns at the determination of the tenancy compensation for such of the improvements and matters specified in the First Schedule hereto as the Lessee his executors administrators or licensed assigns shall have executed made or done on the premises during the tenancy such compensation to be calculated and ascertained at and after the rates specified in the said First Schedule hereto and in accordance with and subject to the definitions and conditions contained in the headings and footnotes to such Schedule and to the provisoes herein after contained which compensation the Lessee hereby agrees and declares is fair and reasonable and is hereby substituted for any compensation he or his executors administrators or licensed assigns would or might otherwise be entitled to under the Agricultural Holdings (England) Act 1883 in respect of any of the said improvments or matters Provided always that no compensation shall be payable in respect of any improvement which shall be executed by the Lessee his executors administrators or assigns in consideration that the Reversioner or Reversioners have paid or agreed to pay some agreed portion of the cost thereof and where (in the last-mentioned case) the Reversioner or Reversioners have in fact paid such agreed portion of the cost nor in respect of any improvement which shall be executed by the Lessee his executors administrators or assigns in consideration that the Reversioner or Reversioners have executed or agreed to execute some other improvement and where (in the last-mentioned case) the Reversioner or Reversioners have in fact executed such other improvement and provided further that in cases not included in the preceding proviso whenever the Reversioner or Reversioners shall during the tenancy have executed at his or their own cost on the premises hereby demised any improvement of any of the kinds specified in the said First Schedule hereto it shall for the purpose of ascertaining the amount of compensation payable to the Lessee his executors administrators or licensed assigns be implied and conclusively presumed that such improvement was so executed in consideration that the Lessee his executors administrators or assigns would execute some other improvement of one of the kinds specified in the said First Schedule and of equal manurial value to the improvement so executed by the Reversioner or Reversioners and there shall be deducted from the compensation which would but for this proviso be payable to the Lessee his executors administrators or licensed assigns a sum equal to the value (to be assessed in accordance with the First Schedule hereto) of the improvement so executed by the Reversioner or Reversioners And it is hereby agreed and declared that the custom of the country and Section 33 of the Agricultural Holdings (England) Act 1883 shall not apply to the tenancy hereby created And it is hereby lastly agreed and declared that any difference arising between the Reversioner or Reversioners on the one hand and the Lessee his executors administrators or assigns on the other hand relative or with respect to compensation for improvements and the amounts of all compensation allowances payments deductions set-offs and valuations to which either party may claim to be entitled either under these presents or under the Agricultural Holdings (England) Act 1883 shall be ascertained and settled by a reference in manner provided by the said Agricultural Holdings (England) Act 1883 except that there shall be no appeal in any case to the County Court and that the provisions of Sections 7 and 23 of the said Act relating respectively to notices and appeals to the County Court and the provisions of Section 10 of the said Act relating to the appointment of Umpires shall not apply to the tenancy created by these presents In

witness whereof the said parties to these presents have hereunto set their hands and seals the day and year first above written.

The FIRST SCHEDULE above referred to.

Improvement.	Land applied to	Proportion of Cost to be allowed as Compensation the Cost being that for Delivery at the nearest Railway Station or Warehouse and to include nothing for carting by the Lessee.
Lime except gas lime	Pasture land	Cost less $\frac{1}{7}$th for each crop grown after application.
Ditto ditto	Meadow	Half after first crop $\frac{3}{10}$ths after 2nd $\frac{1}{5}$th after 3rd crop grown after application.
Ditto ditto	Arable land	Cost less $\frac{1}{7}$th for each of first 3 years and $\frac{1}{10}$th for each of next 3 years provided not more than two crops of corn have been grown since application. In the latter event no compensation will be payable.
Bones raw $\frac{1}{2}$ in. or $\frac{1}{4}$ in.	Permanent pasture	Cost less $\frac{1}{7}$th for each crop after application.
Ditto boiled or meal undissolved	Ditto	Cost less $\frac{1}{7}$th ditto.
Ditto ditto	Arable or meadow	Half after 1st crop $\frac{3}{10}$ths after 2nd $\frac{1}{5}$th after 3rd crop after application.
Artificial manure with bone phosphate	Permanent pasture	Half after 1st crop $\frac{1}{2}$ after 2nd crop grown after application.
Ditto ditto	Meadow	Ditto ditto if hay consumed on farm otherwise nil.
Ditto ditto	Corn crop	One-third in last year if crop consumed on farm.
Ditto ditto	Green crop except potatoes	One-fourth in last year if crop consumed on buildings. One-third ditto ditto on land.
Ditto with mineral phosphate	Similar crops	Half the above rates for artificial manure with bone phosphates.
Purchased feeding stuffs	Consumed by cattle	Sheep or pigs as under viz.:—
Cotton cake decorticated	To fattening stock	Half where no crop taken from manure $\frac{1}{7}$th after one crop so taken.
Ditto ditto	To cows and young stock	Two-thirds of those rates.
Linseed cake	Ditto	One-third where no crop taken from manure $\frac{1}{7}$th where one such crop (also $\frac{1}{10}$th where two such crops taken when cake given to fatten cattle).
Compound cakes Waterloo Bibby &c.	Ditto	One-fourth where no crop taken from manure $\frac{1}{7}$th where one such crop taken.
Bran peas and beans	Ditto	Ditto ditto ditto.
Other purchased corn or meal	Ditto	One-sixth where no crop taken from manure $\frac{1}{7}$th where one such crop taken.

NOTE I.—Carting done by the Lessee for new buildings drainage or other permanent improvement created made or executed by the Reversioner or Reversioners if such carting be done within five years of the determination of the tenancy will be allowed for but in assessing such compensation (where the Lessee has paid no interest or additional rent in consequence of such improvement) deduction will be made from the cost of such carting of a sum to be fixed by the Lessor or his Agent in his absolute discretion in respect of the benefit the Lessee has derived from such improvement.

NOTE II.—In calculating the compensation for purchased feeding stuffs twenty per cent. will be deducted where milk is sold off the farm and twenty per cent. will be added where feeding stuff is consumed only by fattening cattle except where a different rate is already named.

NOTE III.—No compensation will be allowed for nitrate of soda ammoniacal water from gasworks gas lime sulphate of ammonia or other forcing manure nor will any compensation be made for any of the improvements mentioned in this Schedule where any such improvements have been followed by the application of any such forcing manures.

NOTE IV.—There shall be deducted from the amount of compensation payable to the Lessee his executors administrators or licensed assigns—

(*a*) Any sums due to the Reversioner or Reversioners in respect of rent under this Lease or by virtue of the covenant by the Lessee with respect to hay straw grass or root crops sold off the premises with consent also any rates duties taxes charges assessments impositions or outgoings to which the Lessee his executors administrators or assigns are liable as between him or them on the one hand and the Reversioner or Reversioners on the other hand. Appendix A. I.

(*b*) Such sums as may be agreed upon or in default of agreement shall be awarded upon a reference under the provision for a reference contained in this lease in respect of any of the following matters viz.:—

(1) In respect of any benefit which the Reversioner or Reversioners shall have given or allowed to the Lessee his executors administrators or assigns in consideration of the Lessee his executors administrators or assigns executing any improvement in respect whereof he or they shall claim compensation.

(2) In respect of the value of the manure that would have been produced by the consumption on the premises of any hay straw roots or green crops sold off or removed from the premises at any time during the tenancy without the consent of the Reversioner or Reversioners except so far as a proper return of manure to the premises has been made in respect of such produce so sold off or removed therefrom.

(3) In respect of any waste committed or permitted by the Lessee his executors administrators or assigns at any time during the tenancy.

(4) In respect of any breach of any of the Covenants by the Lessee contained in this Lease.

The SECOND SCHEDULE above referred to.

No. on Estate Plan.	NAMES OF FIELDS, &c.	Cultivation.	Acreage.

Signed sealed and delivered by the above-named in the presence of

APPENDIX II.

Appendix A. II.

Handed in by Mr. C. Sewell Read (see after Question 16,677).

The last heading of the evidence I prepared for the chairman was "Some minor grievances of recent legislation," upon which I was not questioned, and I therefore respectfully submit the following to the Commission:—

Every farmer and market gardener who employs anyone to carry a gun to scare the birds which prey upon his crops has to pay a 10*s.* license. A large farmer probably takes out a game certificate, and so escapes the tax, and a farmer can use a gun himself to "scare birds and kill vermin," but it has been held by some Excise officers that if he kills a rook (or, I suppose, frightens a rat without killing it.) he is liable. However this may be, it is certain that when a crow boy uses a pistol to scare birds his employer must take out a gun license. The Act was passed when Mr. Lowe was Chancellor of the Exchequer for preventing the too common use of *revolvers*. It has entirely failed to do this, and although the Act may be very useful in limiting the number of idle loafers from carrying guns, it

Appendix A. II.

has inflicted a fine on every husbandman who employs anyone to protect his crops with fire-arms. I carried an amendment in committee on the Bill to exempt all guns used for protecting farm and garden produce from the ravages of birds and vermin, but upon report the exemption was confined to the occupier himself. In the debate Mr. James Howard said, "Government "might as well tax a plough, for a gun was as neces- "sary to protect growing crops as a plough was to "prepare the land for them."

Another small agricultural grievance is the law which prohibits the killing of *sparrows* by *poison*. These most destructive birds have so increased and multiplied that in many parts of East Anglia they consume acres of grain around the villages, and frequently destroy half the corn grown upon the cottage allotments. It is impossible to keep sparrows down by shooting or netting, and the law has of late been disregarded, and no one thinks of prosecuting the offenders. It is necessary to poison sparrows as rats and mice, and as they generally feed during the winter by themselves there is little fear of killing other birds with them.

It is also considered a hardship that a gamekeeper may trap and destroy the farmer's *cats* in any way he pleases, but the farmer must *not set a trap above ground* to catch rabbits under the Ground Game Act, which is almost the only chance he has of catching them when they come out of an adjoining wood and prey upon his crops at night.

(Signed) CLARE SEWELL READ.

Honingham Thorpe, Norwich,
3rd May 1894.

Appendix A. III.

APPENDIX III.

NORFOLK VALUERS REGULATIONS.

Handed in by Mr. W. T. Simpson (*see Question* 16,835).

AGRICULTURAL HOLDINGS ACT, 1883.

The following recommendations for carrying out the above Act were unanimously agreed to by the united discussions of a committee of the Norfolk Valuers, at a meeting of their general body, and a committee of the Norfolk Chamber of Agriculture:—

FIRST SCHEDULE.

PART I.

Improvements to which Consent of Landlord is required.

It was not considered necessary to offer any recommendations upon this part of the Act, as landlord's consent is necessary before compensation can be claimed, and where buildings are erected without consent of landlord they are the tenant's property, and unless he can obtain compensation may be removed by him.

PART II.

Improvements in respect of which Notice to Landlord is required.

Drainage.—This class of improvement, it was considered, would mainly be carried out by landlord, or by an arrangement between landlord and tenant. Where a mutual arrangement is made for landlord to provide tiles, and the tenant pays all labour, carriage, and haulage, compensation should be based upon a *twelve years'* principle; where tenant provides tiles as well as labour, &c., upon a *twenty years'* principle; bush draining and mole ploughing, when done at tenant's cost, upon an *eight years'* principle.

PART III.

Improvements for which the Consent of Landlord is not required.

"No. 16. Boning Land with Undissolved Bones."

To allow bones (not less than ¼ in.) where applied to arable land upon a four years' principle; where applied to pasture land, eight years.

"No. 17. Chalking of Land."
"No. 19. Claying of Land."
"No. 21. Marling of Land."

To allow upon a 12 years' principle: the entire cost to be allowed for the first four years, and after that period one-eighth to be deducted yearly for the remaining eight years. Claying and chalking on fen lands on a six years' principle.

"No. 18. Clay Burning."

To allow one-third of the cost where only one crop has been taken.

"No. 20. Liming of Land."

To allow upon a four years' principle.

"No. 22. Application to Land of Purchased Artificial or other Purchased Manures."

To allow one-third of the cost of the following, namely: rape, mustard and cotton cakes, greaves, malt culms, bone meal, town-made and farmyard manures used for roots or other green crops during the last year.

And where a root crop fails and the land has been properly cultivated, and is left in a clean condition, half the cost of such manures, and also half the value of the farmyard manure used thereon.

"No. 23. Consumption on the Holding by Cattle, Sheep, and Pigs, of Cake, or other Feeding Stuff not produced on the Holding."

To allow one-third of the cost of linseed and cotton cake, linseed and cotton seed meals, beans, and peas, and one-sixth of the cost of all other corn and feeding stuff consumed on the holding during the last year of the tenancy; but in estimating the value of the improvements under this clause, no larger amounts for compensation shall be taken into calculation for allowance of the proportions of one-third and one-sixth respectively than their average expenditure during the last three years of the occupation.

Also, subject to the three years' average expenditure, one-sixth of the cost of linseed and cotton cake, linseed and cotton seed meals, beans, and peas consumed in the preceding year, but in making any allowance under this clause the nature of the soil to be taken into consideration.

Where the unexhausted value of feeding stuff is allowed, the maximum price of farmyard manures made by cattle, sheep, and pigs should not exceed 3*s.* per load.

Folding on the olland for winter corn in the last year shall be subject to a reduction of one-half where the artificial food consumed thereon has already been charged.

In all cases of a compensation claim, under Part 3 of First Schedule, foulness of the land to be taken into consideration as a reduction or set off; such foulness, however (unless excessive, over the whole or greater portion of the holding), shall not be deemed to extend beyond the lands comprised in the root and fallow shift, and the last year's summer corn shift.

Where fences that are usually trimmed have been properly so done in the preceding autumn, and where drains, dykes, ditches, and watercourses have been properly done out during the last year of the tenancy, no claim or set off shall be allowed.

Appendix A. IV

APPENDIX IV.

Handed in by Mr. Albert Pell (*see Questions* 17,711 *and* 18,026).

BOARD OF AGRICULTURE.

FARMERS AND THE INCOME TAX.

The Board of Agriculture have reason to believe, from statements which have recently been made to them, that persons occupying lands, for the purpose of husbandry only, are not fully aware of their statutory and other rights in regard to the assessments made upon them to income tax. The Board desire, therefore, to give publicity to the following memorandum, compiled under the authority of the Board of Inland Revenue, which sets out fully the principles upon which those assessments are originally made, and the various rights of appeal and relief which exist. The Board call special attention to the fact that by the exercise of the option (referred to in paragraph No. 4 of the annexed memorandum) of being dealt with according to the rules of Schedule D. of the Income Tax Acts, occupiers of land for the purpose of husbandry only who have made no profits therefrom on the average of the three years preceding the year of assessment, or whose aggregate income from every source does not amount to 150*l.* a year, need not be assessed to income tax at all, provided, of course, that the returns they make on the form which will be supplied to them by the Surveyor of Taxes are regarded as satisfactory by the Commissioners of Taxes. In such cases no appeal to the Commissioners is requisite, as no assessment is made, and no question arises involving payment and subsequent repayment of the tax.

In the year 1890–91 the assessments under Schedule D. in respect of profits from the occupation of lands, the occupiers of which availed themselves of this option, amounted to 6,826*l.*, whereas the assessments which would have been made under Schedule B. on the yearly rent or value of such lands would have amounted to 55,977*l.* It was only, however, in 116 cases that the option was exercised, and the Board cannot doubt that if the provision of the law in this matter were more widely known it would be very much more freely resorted to.

Even in cases in which assessments are made under Schedule B. the law provides ample means of obtaining relief if at the end of the year the farmer has made no profits, or if his profits have fallen short of the sum assessed, but by reason of the fact that the Commissioners of Taxes require the production of accounts before they issue a certificate for repayment, the process is necessarily more troublesome to the farmer. It is for this reason that the making of a return for assessment under Schedule D. would in many cases be a simpler and more advantageous proceeding.

In any case of difficulty arising under any of the heads mentioned in the memorandum, the Board recommend that application for advice and assistance should be at once made to the local Surveyor of Taxes, or to the Board of Inland Revenue, Somerset House, London, W.C.

HERBERT GARDNER,
President of the Board of Agriculture.

4, Whitehall Place, S.W.,
April 1893.

MEMORANDUM.

Income Tax. Schedules A. and B. On Lands used for the purposes of Husbandry.

1. Income tax is chargeable under Schedule A. in respect of the ownership, and under Schedule B. in respect of the profits derived from the occupation of lands.

2. For income tax purposes the income arising from the occupation of lands for the purposes of husbandry is deemed to be, in England and Wales, *one half* of the full yearly rent or annual value, including tithe rent-charge, if any, and, in Scotland, *one third* of the full yearly rent or annual value.

3. "Annual value" means the rack rent at which lands are worth to be let by the year, that is, the yearly rent which a tenant might reasonably be expected, taking one year with another, to pay for the lands, if the tenant undertook to pay all usual tenant's rates and taxes and if the landlord undertook to bear the cost of repairs and the other expenses necessary to maintain the property in a state to command that rent.

4. Any person occupying lands for the purpose of husbandry only may elect to be assessed under Schedule D. on the average profits of the three preceding years instead of being assessed under Schedule B. on the yearly rent or value. The election of such person to be assessed under Schedule D. must be signified by notice in writing addressed to the Surveyor of Taxes for the district on or before the 5th of June in each year. In Scotland the time within which notice must be given to the Surveyor is extended to 5th August.

5. Meetings of the Commissioners of Taxes are held annually between the 29th September and the 25th of December for the purpose of hearing appeals under Schedules A. and B. and D. In England and Wales intimation of the dates of these meetings is given by notice affixed to church and chapel doors, and any person aggrieved by the assessments made upon him may appeal, on giving 10 days' notice of his intention either to the local assessor or to the district Surveyor of Taxes. In Scotland notice of intention to appeal should be sent to the Surveyor of Taxes for the district within 10 days after receipt of the notice of assessment, and thereafter intimation will be given of the place and date of meeting of the Commissioners.

6. The Commissioners also hold meetings after the expiration of the year of assessment for the purpose of hearing appeals by persons who have paid income tax in the previous year under Schedules B. or D. on amounts in excess of the actual profits made in that year.

7. Persons who desire to appeal with a view to obtain repayment on the ground of loss or diminution of profits must apply to the Surveyor of Taxes within six months from the 5th of April for information as to the time and place of meeting of the Commissioners.

8. Persons who have sustained a loss by farming operations may obtain repayment of the tax paid under Schedules B. or D., and also of a proportionate amount of the tax paid in respect of their incomes (if any) derived from sources other than from the occupation of land.

9. The following printed form of account of profit and loss for the use of farmers has been provided by the Commissioners of Inland Revenue, and may be obtained on application to any Surveyor of Taxes:—

No. 79D. Farmers' Appeals.

Parish of _____

INCOME TAX.

County of _____

No. of Acres—

STATEMENT of PAYMENTS and RECEIPTS in respect of the occupation of LANDS for the purposes of HUSBANDRY for the year ending _____ 18 ____.

Arable.

Pasture.

PAYMENTS:—	£ s. d.	RECEIPTS:—	£ s. d.
Live stock bought		Live Stock and Wool sold	
Corn and Seeds bought for seed		Corn and Seeds sold	
Feeding Stuffs, Oil Cake, and Manure bought		Dairy Produce and Poultry sold	
Rent and Tithes		Other Produce, including Hay, Straw, or Roots where sold	
Rates, Taxes, and Insurance of Farm Stock		Labour, Stock, Implements, &c., hired out	
Labour on the Farm		OTHER RECEIPTS, viz.:—	
Tradesmen's accounts for Goods supplied or work done upon the Farm		Value of Farm Produce used by Household	
Sundries			
	£		£

Form of Declaration to be filled up and signed.

I solemnly and sincerely declare that the amount of live and dead stock and produce upon my holding on* the _____ day of _____ 18 ____, did not differ materially for the purposes of this account from the average amount in hand on the corresponding day of previous years [†except in the particulars stated below, which are true to the best of my knowledge and belief].

* Name the day to which accounts are made up.

† Strike out the words in brackets if the amount is the average one.

Particulars of difference referred to above.

Description of Stock and Produce.	Increase.	Decrease.

Signature _____

Postal Address _____

Date _____ 189____.

Appendix A. IV.

10. The Commissioners of Inland Revenue have instructed their officers not to object to the admission of farming accounts made up annually from Michaelmas Day instead of from Lady Day.

11. Any person whose total income from all sources is proved to be less than 150*l.* a year is exempt from the payment of income tax. Where the total income amounts to 150*l.* but is less than 400*l.* the person is entitled to claim an abatement of duty on 120*l.*

12. *Remission of Rent.* — Where temporary abatements or remissions of rent have been allowed, a reduction or repayment of duty may be claimed in respect of the amount remitted for each complete year ending on the 5th of April. This allowance may be claimed under both Schedules (A. by the landlord, B. by the tenant) on a special form of claim which will be supplied by the Surveyor of Taxes. When the remission has the effect of bringing the total income of the tenant below 150*l.* the whole of the duty paid or payable under Schedule B. will be repaid or allowed to the tenant.

13. Further information on any of the points mentioned in this memorandum may be obtained from the Surveyor of Taxes for the district, who will take steps to afford proper facilities to all persons who desire to appeal with the object of obtaining relief from or the repayment of income tax.

Appendix A. V.

APPENDIX V.

(*Handed in by Mr. Albert Pell. See Question* 17,893.)

UNIVERSITY OF CAMBRIDGE.

Examination for the Diploma in Agricultural Science.

The Syndicate for Examinations in Agricultural Science give notice that for the year 1894 these Examinations will be held in Cambridge, and will begin on Monday, July 2.

Order of Examinations in Agricultural Science.

Part I.

Monday,	July 2.	2.30—5.30.	Chemistry I.
Tuesday,	July 3.	9—12.	Botany I
,,	,,	2—4.	Physiology.
,,	,,	5—6.	Book-keeping.
Wednesday,	July 4.	9—11.	Chemistry II.
,,	,,	11—12.	Entomology.
,,	,,	2—4.	Botany II.
Thursday,	July 5.	9—10.30.	Geology.
,,	,,	10·30—12.	Engineering.
,,	,,	2—5.	Practical Chemistry.
Friday,	July 6.	9—12.	Practical Botany.

Part II.

Saturday,	July 7.	9—12.	Agriculture.
,,	,,	2—4.	,,
,,	,,	5—6.	Surveying.
Monday,	July 8.	Examination on a farm.	

The fee for admission to Part I. is 1*l.* 1*s.*, and for admission to Part II. 2*l.* 2*s.*

The names of Candidates for either Part of the Examination must be sent to the Registrary of the University on or before June 13, 1894; and the fee transmitted at the same time. In no case are fees returnable.

A Candidate who has passed both Parts of the Examination to the satisfaction of the Examiners shall be entitled to a Diploma, testifying to his competent knowledge of the Science and Practice of Agriculture; and a Candidate who has passed Part I. to the satisfaction of the Examiners shall be entitled to a Certificate to that effect.

SCHEDULES.

The Syndicate for Examinations in Agricultural Science have drawn up the following Schedules defining the range and details of the subjects of Examination in Agricultural Science.

The Examinations will be partly in writing, partly oral and practical.

Part I.

This part of the Examination will relate to

I.—*Botany.*

The elements of the Morphology, Histology, and Physiology of Plants, illustrated principally by a study of Flowering Plants.

The constitution of the ash of plants, including the experimental study of the effect of various external conditions on the ash. The study of the mineral constituents of the food of plants by water-culture and cognate methods. The effect on the plant of the various constituents. The assimilation of carbon including the appearance of the assimilated products, and the necessary gas analyses. The detection and estimation of starch, inulin, and cellulose. The assimilation of nitrogen in the form of nitrate, amide, ammonia, and in the free condition. The detection and estimation of proteids and nitrogenous compounds. The nature of the changes occurring in germinating seeds, tubers, and other reserve stores, together with the translocation of food-materials, and the action of ferments. The detection and estimation of glucose, maltose, cane sugar, tannin, glucosides, oils and fats. The function of the root in relation to the soil; the absorption of water and of salts in solution. The detection and estimation of organic acids and organic salts. The phenomena of growth, especially in regard to external conditions.

The elements of the classification of Phanerogams as illustrated by British Agricultural plants. The detailed study of the genera of Agricultural plants belonging to the Natural Orders Gramineæ, Leguminosæ, Cruciferæ, Umbelliferæ, Solanaceæ, Chenopodiaceæ, Rosaceæ, Urticaceæ. The study of the principal weeds and harmful plants, and of the seeds occurring as adulteration, or otherwise, in commercial samples of agricultural seeds.

The general characteristics of the Fungi and the elements of their systematic classification. The characteristics and life-history of the Fungi producing the principal diseases of Agricultural plants, for instance:—"Damping off" of seedlings, White-Rust, Mildews, Potato-disease, Finger and Toe, Smuts, Bunt, Ergot, Rusts. The more common diseases of timber. The remedies in use for the fungoid diseases of plants.

II.—*Chemistry.*

The composition and properties of atmospheric air. Diffusion. Hygrometry, clouds, dew and rain. Thermometry and radiation, frost and ice. Water, solution of solids and gases in water, rain, spring, river and sea-waters, filtration, and softening of waters. Dialysis.

The composition and properties of carbon dioxide and carbonates, oxides of nitrogen, nitrates, ammonia, silica and silicates, phosphates, sulphates, chlorides, potash and soda, lime, magnesia, alumina, and oxides of iron. Oxidizing and reducing agents. Saccharine and amylaceous substances, alcohol, acetic acids, lactic acid, urea, fats and soaps, paraffin oils, turpentine, and phenol. Antiseptics and disinfectants. Nitrification.

Chemical and physical properties of various soils, and the effects on soils of ploughing, subsoiling, draining, burning, and irrigation. Use of lime and marl.

The general chemical composition, and use, of manures of different kinds, including sewage, soot, ashes, and other town refuse. The chemical composition of bones, apatite, and other phosphates. Determination of the value of different samples.

The composition and properties of milk, butter, and cheese.

Qualitative analysis of substances which may contain ammonia, sodium, potassium, calcium, magnesium, barium, zinc, manganese, iron, aluminium, copper, antimony, arsenic, mercury, lead, sulphur, sulphites, sulphates, chlorides, nitrites, nitrates, phosphates, carbonates, oxalates, acetates.

Simple volumetric and gravimetric analysis of acids and alkalies, lime, oxides of iron, silica, phosphates, carbonates. Hardness of water. Analysis of milk and butter.

III.—*Physiology and Hygiene.*

General build of the animal body as it may be seen, for instance, by the dissection of a rabbit. General relations and structural features of the constituent tissues and organs.

Special and characteristic anatomical features of domestic animals; alimentary canal of horse, ox, sheep, pig, and fowl.

The more important elementary facts and principles relating to—

Circulation: nature and properties of blood; mechanics of circulation; influence of the nervous system on the vascular mechanism. Respiration: mechanics of respiration; chemistry of respiratory interchange; ventilation; influence of the nervous system on the respiratory mechanism. Nervous system: general arrangement and mode of action of the nervous system; reflex actions.

Nature, general characters, composition and reactions of the several food-stuffs: proteids, fats, carbo-hydrates including cellulose; salts; water. Composition of foods used in farming.

Special digestive processes in domestic animals: nature and uses of saliva, gastric juice, bile and pancreatic juice; digestion by means of microbes.

The changes which foods actually undergo in the alimentary canal: rumination; function of the caecum in herbivora; digestion of cellulose. Relative digestibility of various foods. Absorption from the alimentary canal: distribution of absorbed products over the body; effects and final fate of the absorbed and distributed products.

Excretion of waste: the excretory organs; nature and composition of the several excretions.

Effect of food on the body: income and output of material: income and output of energy as heat and work. Regulation of body temperature.

Special influence of the several food-stuffs on the composition of the body. The physiology of fattening: comparative nutritive and fattening value of proteids, fats, and carbo-hydrates including cellulose; exemplification of the principles with reference to the foods in general use for feeding and fattening purposes, such as corn, beans, hay, straw, brewers' grains, malt, oil cake.

The nature and properties of milk: the secretion of milk; the changes taking place in milk after secretion; the effect on milk of feeding and other influences.

IV.—*Entomology.*

The structure of a typical insect.

The characteristics of the principal orders of insects; and those which distinguish the *larvae* of coleopterous, hymenopterous, lepidopterous, and dipterous insect pests.

The life history of the commoner insect and acarine pests, especially those which attack crops, or are injurious to farm animals. The principal indications of attack and the general appearance of infested crops; the principal measures of prevention and remedy.

V.—*Geology.*

The fundamental principles of geology, including the elements of stratigraphy and lithology. The classification of rocks according to their origin, stratification, texture, and organic remains. The recognition of the commoner rock forming minerals.

The application of geology to the work of a farm: the composition, origin, and treatment of soils; effects of different kinds of subsoils; water supply, drainage, and irrigation; minerals of agricultural value; materials used in building, road making, &c.; quarrying, cuttings and embankments, in stratified, unstratified, jointed, or cleaved rock.

The use of geological plans and sections, and identification of minerals and rocks.

VI.—*Mechanics and Engineering.*

Mechanics. Mass, velocity, acceleration, weight, density, momentum, energy, work, laws of motion, centre of mass. Friction. Mechanical powers; shafting and gearing. Strength of materials. Trusses. Equilibrium of liquids. Flow of water in pipes and channels. Pumps. Power derived from water-falls; water-wheels and turbines. Wind and windmills.

Heat. Sources of heat. Specific heat, heat of fusion and of evaporation, vapour pressure. Quantity of heat generated in combustion. Mechanical equivalent of heat. Second law of thermo-dynamics. Principles of steam, gas, and petroleum engines. Boilers. Construction of valves. Expansion working. Fly-wheels. Consumption of fuel and water per horse-power.

VII.—*Book-keeping.*

The principles and methods of book-keeping.

Principles of double entry: memorandum or waste book, day book, ledger, cash book.

Balancing accounts: profit and loss and preparation of the balance sheets.

Discount and interest; Consignments; bills of exchange.

Part II.

This part of the examination will relate to—

VIII.—*Agriculture.*

Composition of soils (mineral and organic matter, chemical ingredients, &c.). Physical properties of soils. Classification of soils (loams, marls, calcareous soils, &c.). Improvement of soils (physical and chemical). Tillage and implements. Manuring. Rotation of crops; modifications of the ordinary rotation to suit special circumstances. Cultivation of crops (sowing, cleaning, harvesting, &c.). Formation and treatment of pasture. Ensilage. Live stock (breeds, rearing, feeding, &c.). The dairy. Hygiene of the farmyard and dairy. Farm management, including outlay at commencement.

The questions will be of a practical nature and the examination will be in part conducted on a farm.

IX.—*Surveying.*

Rules and scales for linear and circular measure. Verniers, measuring rods and chains. Levels. Use of logarithms and slide rule. Use of theodolite.

Ordinary rules of superficial and solid mensuration applied to examples. Estimation of volume of a cylinder. Estimation of the weight of a mass from its dimensions and specific gravity.

Ordinary land surveying by chain; levelling; plotting and determination of area; working out examples.

Surveying with theodolite. Trigonometric solution of triangles.

Francis Darwin,
Secretary to the Syndicate for Examinations in Agricultural Science.

10 February 1894.

Appendix A. VI.

APPENDIX VI.

TABLES HANDED IN BY Mr. GIFFEN.

TABLE I. (*See Question* 18,090.)

PRICES of LEADING WHOLESALE COMMODITIES in JANUARY of each of the YEARS 1873, 1879, 1883, and 1885, and in DECEMBER 1888 and NOVEMBER 1893 compared.

		1873.	1879.	1883.	1885.	1888.	1892.
Scotch pig-iron	per ton	127*s.*	43*s.*	47*s.* 8*d.*	41*s.* 9*d.*	41*s.* 11*d.*	42*s.* 2½*d.*
Coal	„	30*s.*	19*s.*	17*s.* 6*d.*	18*s.*	17*s.* 9*d.*	30*s.*
Copper, Chili bars	„	91*l.*	57*l.*	65*l.*	48½*l.*	78*l.*	42⅜*l.*
Straits tin	„	142*l.*	61*l.*	93*l.*	77½*l.*	101½*l.*	77⅜*l.*
Wheat, Gazette average	per quarter	55*s.* 11*d.*	39*s.* 7*d.*	40*s.* 4*d.*	34*s.* 11*d.*	31*s.* 9*d.*	27*s.* 6*d.*
„ Red Spring, at New York	per bushel	$1.70	$1.10	$1.18	91c.	106½c.*	69½c.
Flour, town made	per sack	47*s.* 6*d.*	37*s.*	38*s.*	32*s.*	33*s.*	26*s.*
„ New York price	per barrel	$7.50	$3.70	$4.30	$3.25	$3.60	$3.30
Beef, inferior	per 8 lbs.	3*s.* 10*d.*	2*s.* 10*d.*	4*s.* 4*d.*	4*s.*	2*s.* 8*d.*	2*s.* 6*d.*
„ prime small	„	5*s.* 3*d.*	4*s.* 9*d.*	6*s.*	5*s.* 4*d.*	4*s.* 2*d.*	5*s.*
Cotton, middling upland	per lb.	10*d.*	5⅝*d.*	5 1/16*d.*	6*d.*	5 7/16*d.*	4 9/16*d.*
Wool	per pack	23*l.*	13*l.*	12*l.*	11*l.*	11*l.*	11¼*l.*
Sugar, Manilla Muscavado	per cwt.	21*s.* 6*d.*	16*s.*	16*s.* 6*d.*	10*s.*	13*s.* 3*d.*†	12*s.* 10½*d.*‡
Coffee, Ceylon, good red	„	80*s.*	65*s.*	78*s.* 6*d.*	71*s.*	91*s.*§	107*s.* 6*d* ‖
Pepper, black Malabar	per lb.	7*d.*	4¼*d.*	5¾*d.*	8*d.*	7⅝*d.*	2 7/8*d.*
Saltpetre, foreign	per cwt.	29*s.*	19*s.*	19*s.*	15*s.* 3*d.*	16*s.* 6*d.*	17*s.* 9*d.*

* Corner.

† In 1888 this is the quotation for Brown West Indian. I have been unable to find a quotation for "Manilla Muscavado" in the usual price lists; but the price of Brown West Indian in 1885 was nearly the same as that here given for Manilla Muscavado.

‡ Brown West Indian.

§ This is Ceylon Plan. Mid., as I do not find the old quality quoted in the lists before me. The price taken in 1885 was rather higher than Ceylon Plan. Mid. at that time, but the difference was not material, and I have taken the top price instead of the mean price.

‖ Ceylon Plan. Mid., top price.

TABLE II. (*See Questions* 18,097, 18,574.)

COMPARISON of the INDEX NUMBERS of the "ECONOMIST," Mr. SAUERBECK, BOARD of TRADE IMPORT and EXPORT PRICES, Dr. SOETBEER, and an AMERICAN INDEX NUMBER.

	Average years 1868–77.	Average Years 1878–87.	Decrease in Second Period.		Average Years 1888–93.
			Amount.	Per Cent.	
I. "Economist"	2,750	2,300	450	16½	2,170
II. Sauerbeck	100	79	21	21	71
III. Soetbeer*	129	120	9	8	—
IV. American†	113	93	20	18	—
V. Board of Trade import and export prices — exports‡	85·7	59·9	25·8	30	—
V. Board of Trade import and export prices — imports‡	85·6	71·7	13·9	16	—
I. Silver (Sauerbeck)	100	82	18	18	71·7

* 1866-75 and 1876-85.

† 1866-70 and 1876-80. The American figures are not later than 1880. *See* Appendix III., Appendix to First Report of Royal Commission on Trade Depression.

‡ Figures of 1873 and 1883. These figures not being calculated for every year, it is not possible to give an average of a ten-yearly period, but the results would be much the same comparing any other years at ten years' interval.

TABLE III. (*See Question* 18,098.)

AVERAGE IMPORTS per HEAD and TOTAL IMPORTS and EXPORTS per HEAD of the POPULATION of the UNITED KINGDOM in the under-mentioned QUINQUENNIAL PERIODS; with the ENTRIES of SHIPPING per HEAD in the same periods; also showing PERCENTAGE INCREASE or DECREASE.

[Extracted from "First Report of Trade Depression Commission," page 127, &c., and continued.]

	Imports per Head.		Imports and Exports per Head.		Entries of Shipping per Head.	
	Amount.	Increase or Decrease per Cent. on previous period.	Amount.	Increase or Decrease per Cent. on previous period.	Amount.	Increase per Cent. on previous period.
	£ s. d.		£ s. d.		Tons.	
1855–59	6 0 3	—	10 19 2	—	0·38	–
1860–64	8 1 4	(+) 34	14 4 3	(+) 30	0·45	18
1865–69	9 8 2	(+) 17	16 19 1	(+) 19	0·53	18
1870–74	10 17 2	(+) 15	19 19 3	(+) 18	0·65	23
1875–79	11 3 5	(+) 3	18 16 6	(−) 6	0·75	15
1880–84	11 11 0	(+) 3	20 0 1	(+) 6	0·86	15
1885–89	10 4 10	(−) 11	17 19 9	(−) 10	0·89	3
1890–93	11 2 0	(+) 8	19 0 11	(+) 6	0·98	10

TABLE IV. (*See Questions* 18,101, 18,579.)

STATEMENT of GROSS AMOUNT of PROFITS ASSESSED to INCOME TAX per HEAD in the under-mentioned QUINQUENNIAL PERIODS.

[Extracted from Appendix to First Report of Trade Depression Commission, p. 212, and continued.]

Annual Average per Head.

	£		£
1865–69	14·0	1880–84	17·2
1870–74	15·6	1885–89	17·5
1875–79	17·4	1890–92	*18·5

* Average for the three years 1890, 1891, and 1892.

TABLE V. (*See Question* 18,103.)

INCOME TAX INCOME in the under-mentioned YEARS.

[In Millions.]

	£		£		£
1867	424	1877	570	1887	629
1868	430	1878	578	1888	636
1869	435	1879	578	1889	645
1870	445	1880	577	1890	662
1871	466	1881	585	1891	698
1872	482	1882	601	1892	711
1873	514	1883	613		
1873	549	1884	628		
1875	571	1885	631		
1876	579	1886	630		
Annual average	492	Annual average	599	Annual average	665
„ per head	15*l.* 10*s.*	„ per head,	17*l.*	„ per head	17*l.* 18*s.*
„ „	of 1875–76, 17*l.* 8*s.* 6*d.*	„ „	of 1885–86, 17*l.* 5*s.*	„ „	of 1891–92, 18*l.* 15*s.*

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TABLE VI. (*See Question* 18,105.)

COMPARISON of WAGES RATES published in the SECOND REPORT of the LABOUR CORRESPONDENT of the BOARD of TRADE on TRADE UNIONS, with continuation.

		Normal, 1866–76.	Maximum, 1873–74.	1887.	Latest.
1. Engineers	per week	22*s.* to 36*s.*	26*s.* to 36*s.*	26*s.* to 38*s.*	§18*s.* to 40*s.* 6*d.*
2. Amalgamated Society of Carpenters and Joiners	„	20*s.* to 37*s.* 8*d.*	21*s.* to 42*s.* 4*d.*	20*s.* to 42*s.* 4½*d.*	§21*s.* to 42*s.* 4½*d.*
3. Steam Engine Makers	„	24*s.* to 36*s.*	26*s.* to 36*s.*	26*s.* to 38*s.*	‡30*s.* to 38*s.*
4. Iron Founders	„	26*s.* 3*d.*	26*s.* 6*d.*	24*s.*	§26*s.* to 38*s.*
5. United Kingdom Pattern Makers	„	[33*s.* in 1885]	—	31*s.* 7½*d.*	§35*s.*
6. Operative Bricklayers (summer)	„	20*s.* to 39*s.* 9*d.*	24*s.* to 45*s.* 5*d.*	24*s.* to 42*s.* 4½*d.*	§24*s.* to 42*s.* 4½*d.*
7. Iron Moulders of Scotland	per hour	7¼*d.*	7⅝*d.*	7*d.*	§6½*d.* to 9*d.*
8. Compositors (minimum)	per week	33*s.*	36*s.*	36*s.*	‡36*s.*
9. Journeymen Bookbinders (minimum)	„	32*s.*	32*s.*	32*s.*	‡32*s.*
10. Associated Blacksmiths (Scotland)	„	25*s.*	27*s.*	28*s.*	‡31*s.* 6*d.*
11. Alliance Cabinet Makers	per hour	7*d.* to 8½*d.*	8½*d.*	8½*d.* to 9*d.*	‡8½*d.* to 9*d.*
12. Operative Stonemasons (summer)	per week	20*s.* to 37*s.* 2*d.*	18*s.* to 40*s.* 0¼*d.*	20*s.* to 40*s.*	§24*s.* to 40*s.* 6*d.*
13. Glass Bottle Makers of Yorkshire		33*s.*	36*s.*	30*s.*	§26*s.* to 33*s.*
14. Northumberland Miners*: Stonemen	per day	4*s.*	7*s.* 5*d.*	4*s.* 8*d.*	§5*s.* 2¼*d.*
Onsetters	„	5*s.*	7*s.* 9*d.*	4*s.* 4*d.*	§6*s.* 5·38*d.*
Banksmen	„	5*s.*	7*s.* 8*d.*	4*s.* 3½d.	§6*s.* 4·21*d.*
Putters	„	3*s.* 1½*d.*	5*s.* 1½*d.*	2*s.* 9½*d.*	§4*s.* 1·45*d.*
15. Kent and Sussex Labourers	per week	13*s.*	15*s.*	12*s.* 6*d.*	Not stated.
16. Pressmen	„	Not stated.	36*s.*	36*s.*	‡36*s.*
17. Zincworkers	„	36*s.* to 39*s.*	36*s.* to 39*s.*	36*s* to 39*s.*	‡36*s.* to 39*s.*
18. Coopers (Leith and Edinburgh)	„	23*s.* to 25*s.*	27*s.*	27*s.*	‡29*s.*
19. United Operative Bricklayers (summer)	„	23*s.* to 30*s.*	27*s.* to 33*s.*	27*s.* to 36*s.*	‡8½*d. per hour*
20. Perseverance Society of Carpenters and Joiners	per hour	Not stated.	9*d.*	9*d.*	‡9*d.*
21. Operative Plasterers	„	Not stated	6*d.* to 9*d.*	6*d.* to 9*d.*	§22*s.* 3*d.* to 45*s.* *per week*
22. Co-Operative Smiths	per week	25*s.*	33*s.*	30*s.*	Not stated
23. Plumbers	per hour	Not stated	8*d.*	8*d.*	§22*s.* 9*d.* to 45*s.* *per week*
24. Durham Colliery Enginemen	per day	Not stated	5*s.* 11*d.*	4*s.* 4*d.*	‡5*s.* 7*d.*
25. Carpenters and Joiners, Scotland—† Aberdeen	per hour	4½*d.*	7*d.*	6*d.*	§6½*d.*
Bishopsbrigg	„	6½*d.*	9*d.*	7½*d.*	§8½*d.*
Coatbridge	„	6*d.*	8*d.*	6½*d.*	§7½*d.*
Dundee	„	6*d.*	8*d.*	7*d.*	§7½*d.*
Edinburgh	„	6¼*d.*	8¼*d.*	7*d.*	§7½*d.*
Glasgow	„	6½*d.*	9*d.*	7½*d.*	§8½*d.*
Johnstone	„	5*d.*	7*d.*	6½*d.*	§6½*d.* to 7*d.*
Nairn	„	4¼*d.*	6*d.*	5*d.*	§5½*d.*
Stirling	„	5½*d.*	8*d.*	6*d.*	§7*d.*
26 Friendly Ironfounders	per week	26*s.* 3*d.*	26*s.* 3*d.*	£4*s.*	§26*s.* to 38*s.*

* A great number of rates are given—I select a few only as specimens.
† About 86 places given—About 1 place in 10 picked out.

‡ Year 1890.
§ Year 1891.

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TABLE VII. (*See Question* 18,106, 18,580.)

RATE of MONEY WAGES of ORDINARY AGRICULTURAL LABOURERS, 1870–71, 1880–81, and 1892.

[Extracted from Appendix to Third Report on Royal Commission on Trade Depression, and continued from Reports of Royal Commission on Labour.]

Name of County.	1870–71.	1880–81.	1892.
	Per week.	Per week.	Per week.
Bedford	10*s.* to 11*s.*	12*s.* to 13*s.*	14*s.* to 15*s.*§
Berks	10*s.*	11*s.* to 13*s.*	10*s.* to 12*s.*
Buckingham	11*s.* to 13*s.**	13*s.* to 14*s.* winter. 14*s.* to 15*s.* summer	Not stated.
Cambridge	10*s.* to 12*s.*†	12*s.* to 13*s.*	12*s.*
Chester	12*s.* to 15*s.*	No general return.	15*s.*§
Cornwall	11*s.*	14*s.* to 15*s.*	13*s.* to 15*s.*
Cumberland	15*s.* or 9*s.*‡	18*s.*	18*s.*§
Derby	14*s.*	15*s.* to 18*s.*	16*s.*§
Devon	8*s.* 6*d.* to 12*s.*	11*s.* to 15*s.*	11*s.* to 15*s.*
Dorset	8*s.* 6*d.* to 11*s.* 6*d.*	10*s.* to 12*s.*	10*s.*
Durham	15*s.* to 17*s.*	17*s.* 6*d.* to 18*s.*	Not stated.
Essex	10*s.* to 12*s.*	12*s.* to 13*s.*	11*s.* to 12*s.*
Gloucester	9*s.* 6*d.* to 12*s.*	12*s.* to 15*s.*	§10*s.* to 11*s.*
Hants	10*s.* to 11*s.*	11*s.* to 13*s.*	§14*s.* to 16*s.*
Hereford	9*s.* to 10*s.*	12*s.* to 14*s.*	§10*s.* to 12*s.*
Herts	10*s.* 9*d.* to 11*s.* 3*d.*	12*s.* to 15*s.*	11*s.* to 12*s.*
Huntingdon	11*s.*	12*s.*	§15*s.* to 15*s.* 6*d.*
Kent (extra Metropolitan)	13*s.* to 15*s.*	15*s.* to 18*s.*	14*s.* to 15*s.*
Lancaster	15*s.* or 7*s.*‡	17*s.* to 18*s.*	§17*s.* to 20*s.*
Leicester	12*s.* to 14*s.*	11*s.* to 12*s.* ordinary districts. 14*s.* to 15*s.* ironstone districts.	§15*s.* to 17*s.*
Lincoln	13*s.* 6*d.*	13*s.* 6*d.* to 15*s.*	§13*s.* 6*d.* to 15*s.*
Middlesex	No return.	15*s.* to 16*s.*	Not stated.
Monmouth	11*s.* to 16*s.* 6*d.*	12*s.*	§12*s.* to 13*s.*
Norfolk	10*s.*	12*s.* to 13*s.*	§12*s.*
Northampton	11*s.* to 12*s.*	13*s.* to 14*s.*	§13*s.* to 15*s.*
Northumberland	15*s.* to 18*s.*	15*s.* to 18*s.*	§15*s.* to 18*s.*
Nottingham	12*s.* to 14*s.*	13*s.* to 15*s.* ordinary districts. 18*s.* to 20*s.* colliery districts.	§16*s.* to 17*s.*
Oxford	10*s.* to 13*s.**	11*s.* to 15*s.* 6*d.*	11*s.* to 13*s.*
Rutland	12*s.*	No return.	Not stated.
Salop	10*s.* to 12*s.*	12*s.* to 14*s.*	13*s.* to 15*s.*
Somerset	10*s.* to 11*s.*	11*s.* to 15*s.*	10*s.* to 12*s.*
Stafford	13*s.*	12*s.* to 15*s.*	§15*s.* to 17*s.*
Suffolk	10*s.* to 12*s.*	12*s.* to 13*s.*	§12*s.*
Surrey (extra Metropolitan)	13*s.* to 14*s.*	14*s.* to 16*s.*	15*s.*
Sussex	11*s.* to 13*s.*	12*s.* to 15*s.*	§14*s.* to 16*s.*
Warwick	11*s.* to 12*s.*	12*s.* to 16*s.*	§11*s.* to 12*s.*
Westmoreland	14*s.* to 17*s.*	18*s.*	Not stated.
Wilts	9*s.* 6*d.* to 11*s.*	11*s.* to 13*s.*	10*s.*
Worcester	10*s.* to 12*s.*	13*s.* 6*d.*	11*s.* to 13*s.*
Yorks (East Riding)	No return.	15*s.*	§15*s.* to 16*s.*
„ (North „)	12*s.* to 15*s.*	16*s.* to 17*s.*	§15*s.* to 16*s.*
„ (West „)	13*s.* 6*d.* to 17*s.*	15*s.* to 18*s.*	§15*s.* to 17*s.*

* Extracted from the Report of the Commissioners on the Employment of Women and Children in Agriculture, 1867–68.
† For Quarter ended Michaelmas 1869 (harvest money not included).
‡ The latter with board and lodging.
§ These rates are for a certain union in each county only.

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TABLE VIII.

NET IMPORTS of SILVER into INDIA by SEA in the under-mentioned YEARS.

[In thousands of tens of rupees.]

Year ended 31st March.	Imports.	Exports.	Net Imports.	Year ended 31st March.	Imports.	Exports.	Net Imports.
1874	4,143	1,648	2,495	1884	7,408	1,003	6,405
1875	6,052	1,410	4,642	1885	9,110	1,864	7,246
1876	3,464	1,909	1,555	1886	12,386	780	11,606
1877	9,992	2,793	7,199	1887	8,220	1,064	7,156
1878	15,776	1,100	14,676	1888	10,590	1,361	9,229
1879	5,594	1,623	3,971	1889	10,726	1,479	9,247
1880	9,605	1,735	7,870	1890	12,388	1,451	10,937
1881	5,316	1,423	3,893	1891	15,434	1,259	14,175
1882	6,466	1,087	5,379	1892	10,604	1,582	9,022
1883	8,358	878	7,480	1893	15,228	2,364	12,864

TABLE IX. (*See Questions* 18,123, 18,436, 18,589.)

EXCESS of IMPORTS of GOLD into the UNITED KINGDOM over EXPORTS.

—	Excess of Imports.	Excess of Exports.	—	Excess of Imports.	Excess of Exports.	—	Excess of Imports.	Excess of Exports.
	£	£		£	£		£	£
1858	10,226,000	—	1872	—	1,280,000	1888	844,000	—
1859	4,217,000	—	1873	1,540,000	—			
			1874	7,439,000	—	1889	3,459,000	—
1860	—	3,057,000	1875	4,493,000	—			
1861	926,000	—	1876	6,960,000	—			
			1877	—	4,932,000	1890	9,261,000	—
1862	3,892,000	—	1878	5,902,000	—			
			1879	—	4,210,000			
1863	3,840,000	—	1880	—	2,374,000	1891	6,108,000	—
1864	3,621,000	—	1881	—	5,536,000			
			1882	2,353,000	—	1892	6,751,000	—
1865	5,993,000	—	1883	665,000	—			
1866	10,768,000	—	1884	—	1,269,000			
			1885	646,000	—	1893	4,661,000	—
1867	7,911,000	—	1886	—	833,000			
1868	4,428,000	—	1887	631,000	—			
1869	5,297,000	—	Total	30,629,000	20,434,000	Total	31,084,000	—
1870	8,793,000	—	Deduct excess of exports	20,434,000	—			
1871	921,000	—						
Total	67,776,000	—	Net total	10,195,000	—			

TABLE X. (*See Question* 18,592.)

RATIO of SILVER to GOLD from 1500 to the Present Time.

Years.	Ratio Silver in Gold.	Years.	Ratio Silver to Gold.
1501–20	10·75:1		
1521–40	11·25:1		
1541–60	11·30:1		
1561–80	11·50:1		
1581–1600	11·80:1	1800	15½· :1
1601–20	12·25:1	1800–50	15¾· :1
1621–40	14·00:1	1850–70	15·40:1
1641–60	14·50:1	1888	22·00:1
1661–80	15·00:1	Present time	32·45:1

TABLE XI. (*See Questions* 18,132, 18,600.)

AGRICULTURAL PRODUCTION of UNITED KINGDOM in 1891.

Caird. (Thousand £.)		£
32,187	Wheat - 74,743,000 bushels at 37*s.* per quarter	17,285,000
19,800	Barley - 79,555,000 ,, 28*s.* 2*d.* ,,	14,000,000
28,800	Oats - 166,472,000 ,, 20*s.* ,,	20,810,000
	*Rye - 2,400,000 ,, 30*s.* ,,	450,000
6,300	Beans - 10,694,000 ,, 30*s.* ,,	2,005,000
	Peas - 5,777,000 ,, 30*s.* ,,	1,083,000
87,087		55,633,000
16,650	Potatoes - 6,090,000 tons at 66*s.* per ton	20,097,000
—	*Hops - 437,000 cwts. at 100*s.* per cwt.	2,185,000
87,000	Meat - 1,500,000 tons at 50*l.* per ton	75,000,000
8,500	Wool - 150,000,000 lbs. at 9·6*d.* per lb.	6,000,000
39,500	Milk, cheese, and butter - 1,400,000,000 galls. at 6*d.* per gall. (Rew)	35,000,000
	*Orchards, market gardens, and nursery grounds - 300,000 acres	5,000,000
	*Woods - 3,000,000 acres	2,000,000
		200,915,000
	Caird—	
16,000	Hay for horses	16,000,000
6,000	Straw ,,	6,000,000
260,737		222,915,000

* Omitted by Caird.

TABLE XII. (*See Questions* 18,132, 18,600, 18,610.)

ESTIMATED VALUE of AGRICULTURAL PRODUCTION of UNITED KINGDOM about 1874, assuming the same QUANTITIES as in the Year 1891, but the PRICES as in 1874 or thereabouts.

	£
Wheat - 74,743,000 bushels at 55*s.* 8*d.* per quarter	26,005,000
Barley - 79,555,000 ,, 44*s.* 11*d.* ,,	22,333,000
Oats - 166,472,000 ,, 28*s.* 10*d.* ,,	30,000,000
Rye - 2,400,000 ,, 48*s.* ,,	720,000
Beans - Peas - 16,471,000 ,, 40*s.* ,,	4,118,000
	83,176,000
Potatoes - 6,090,000 tons at 74*s.* per ton	22,533,000
Hops - 437,000 cwts. at 109*s.* per cwt.	2,382,000
Meat - 1,500,000 tons at 7*d.* per lb., 65*l.* 6*s.* 8*d.* per ton	98,000,000
Wool - 150,000,000 lbs. at 1*s.* 6¼*d.* per lb.	11,406,000
Milk, cheese, and butter - 1,400,000,000 gallons at 9*d.* per gallon	52,500,000
Orchards, market gardens, and nursery grounds - 300,000 acres	5,000,000
Woods - 3,000,000 ,,	2,000,000
	276,997,000
Hay for horses	16,000,000
Straw ,,	6,000,000
	298,997,000

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TABLE XIII. (*See Questions* 18,163, 18,250.)

SUMMARY of "RETURN of ASSESSMENTS of LAND in ENGLAND and WALES under INCOME TAX ACTS in 1842–43 "and 1888–89 compared; with AMOUNT of TITHE as commuted and AMOUNT according to AVERAGE PRICES of "1883–89, in parishes or groups of parishes" obtained for the use of the BOARD of TRADE in 1890.

Counties.	Annual Value of Lands assessed, including Rent-charges under Tithes Commutation Act, &c., and of Tithes raised by Rates and other Tithes not arising from Lands. (Not including Easter Offerings, Surplice Fees, Dues, and Money Payments in right of the Church.)		Approximate Annual Value of Assessments given up by Schedule in 1888-89, in respect of Allowance for Temporary Abatement of Rent, or in respect of Farms usually let, but which have been thrown on Owner's Hands.	Tithe.		Annual Value of Houses assessed.	
				Amount of Tithe as commuted under the Tithes Commutation Act.	Amount of Tithe payable according to Gazette average Prices for 1883-89.		
	1842-43.	1888-89.				1842-43.	1888-89.
ENGLAND:	£	£	£	£	£	£	£
Bedford	385,678	410,151	482	24,802	19,367	132,314	482,861
Berks	619,672	542,021	3,608	88,840	69,351	316,481	915,308
Bucks	614,716	664,303	5,340	47,602	37,160	211,448	499,067
Cambridge	826,590	809,135	4,129	80,162	62,579	269,028	534,717
Chester	990,535	1,152,083	874	63,418	49,510	780,128	2,580,224
Cornwall	849,645	910,817	2,834	101,104	78,916	277,091	533,159
Cumberland	613,976	778,794	60	26,216	20,464	220,551	652,452
Derby	863,843	871,931	4,717	38,515	30,071	328,334	1,380,586
Devon	1,671,678	1,799,191	7,413	182,637	142,570	766,732	1,935,642
Dorset	666,657	694,710	1,580	88,055	68,737	231,117	485,428
Durham	573,038	587,807	111	48,552	37,905	429,277	2,582,609
Essex	1,394,315	1,212,885	24,202	250,263	195,359	517,009	2,523,974
Gloucester	1,162,514	1,048,624	7,450	86,848	67,792	839,322	1,806,547
Hereford	668,065	667,310	2,855	75,851	59,212	128,776	267,714
Hertford	493,863	532,278	8,653	76,627	59,816	340,256	743,160
Huntingdon	321,842	274,341	2,534	14,810	11,564	74,654	131,731
Kent	1,442,975	1,616,371	34,691	257,770	201,231	1,385,055	5,334,918
Lancaster	1,676,153	1,744,261	3,097	74,040	57,805	4,777,530	17,496,547
Leicester	922,309	820,622	4,874	31,238	24,387	315,268	1,193,930
Lincoln	2,382,184	2,320,401	8,901	126,523	98,764	420,778	1,137,958
Middlesex	442,558	459,999	1,136	26,821	20,939	9,233,476	29,332,797
Monmouth	306,259	314,994	1,589	30,071	23,477	159,129	599,276
Norfolk	1,688,740	1,623,089	6,064	280,521	218,986	587,468	1,099,975
Northampton	985,075	894,622	6,179	31,991	24,974	261,617	781,820
Northumberland	894,727	901,952	3,200	85,746	66,936	431,878	1,613,167
Nottingham	723,448	672,920	5,710	40,325	31,479	380,881	1,622,377
Oxford	620,914	591,666	7,292	52,232	40,774	278,314	614,368
Rutland	134,248	129,659	659	7,844	6,123	21,665	44,506
Salop	1,080,407	1,083,056	4,423	108,591	84,776	253,128	531,448
Somerset	1,777,606	1,764,508	12,834	155,826	121,646	1,025,080	1,831,935
Southampton	891,921	922,221	9,678	172,921	134,990	730,873	2,588,536
Stafford	1,139,058	1,099,837	6,114	74,589	58,226	819,909	3,154,812
Suffolk	1,216,220	1,054,210	8,515	205,457	160,390	480,409	924,559
Surrey	476,072	549,561	2,276	76,293	59,557	2,146,529	9,807,615
Sussex	943,873	987,782	13,615	160,451	125,256	697,460	2,914,642
Warwick	943,743	794,161	3,489	50,629	39,516	1,123,133	3,361,790
Westmoreland	274,413	337,348	150	7,642	5,968	52,044	133,094
Wilts	1,107,384	907,398	6,966	145,100	113,276	291,912	600,399
Worcester	738,427	704,629	3,638	66,621	52,000	514,057	1,268,803
York, East Riding	964,784	959,641	2,530	43,612	34,049	443,028	1,347,719
„ North Riding	1,177,289	1,178,096	2,915	87,994	68,682	167,017	992,439
„ West Riding	1,923,057	1,849,357	5,308	90,748	70,840	2,107,380	8,647,767
Total, England	39,589,471	39,238,742	242,680	3,785,898	2,955,420	34,967,536	117,081,876
WALES:							
Anglesey	144,177	187,372	185	18,405	14,368	15,229	72,175
Brecon	156,697	198,944	2,172	19,769	15,428	31,776	92,107
Cardigan	172,994	229,432	156	19,397	15,142	23,080	76,366
Carmarthen	345,050	431,573	—	29,235	22,822	37,756	193,775
Carnarvon	161,685	213,665	696	17,320	13,518	32,933	284,117
Denbigh	295,017	331,304	2,284	37,947	29,622	53,717	236,056
Flint	210,780	216,785	806	23,573	18,402	27,906	184,254
Glamorgan	267,389	323,216	—	28,946	22,597	218,398	1,951,682
Merioneth	111,769	143,651	257	9,466	7,388	31,243	91,620
Montgomery	272,028	310,451	3,241	26,002	20,297	53,844	84,977
Pembroke	288,183	353,470	1,155	27,970	21,835	57,692	130,998
Radnor	112,656	163,490	1,190	14,764	11,527	14,717	28,590
Total, Wales	2,538,425	3,103,353	12,142	272,794	212,946	598,291	3,426,717
Total, England and Wales	42,127,896	42,342,095	254,822	4,058,692	3,168,366	35,565,827	120,508,593

NOTE.—The figures in the column headed "Amount of Tithe as commuted under the Tithes Commutation Act," have been taken from the Parliamentary Return, No. 214, of session 1887. The totals shown by that return, including corn rents converted into tithe rentcharge, amount to 4,059,126*l.* as against the above total of 4,058,692*l.* a difference of 434*l.* It would be impossible to trace this small difference without very great labour, on account of it having been necessary to transfer border parishes or portions thereof from county to county in order to make the return agree with the grouping in the Inland Revenue Returns, and in addition a large portion of the difference may probably be accounted for by the way in which fractions of a pound have been dealt with.

The figures relating to the year 1842–43 are taken from the Parliamentary Return, No. 43 of session 1846, with which however the totals are not in precise agreement owing partly to the treatment of fractions of a pound and partly to errors in the original Return itself.

APPENDIX VII.—*See* Q. 18,939.

Appendix A. VII.

(*Handed in by Mr. R. L. Everett, M.P.*)

	The "Economist" Index Numbers of 22 Leading Commodities.				Mr. Sauerbeck's Index Numbers.	
	Col. 1. Index Numbers. *Gold Prices*, January 1st. 100=3,102.	Col. 2. *Prices* in Col. 1, as valued *in London in Bar Silver.*	Col. 3. *Increase in Purchasing Power of Gold*, as shown by Prices in Col. 1.	Col. 4. *Increase in Purchasing Power of Silver*, as shown by Prices in Col. 2.	Forty-five Leading Commodities. Gold Prices. Average of Year.	Gold Value of Bar Silver in London. Average of Year. 100=60·84*d.* per Oz.
			Per Cent.	Per Cent.		
1865 to 1869	100	100	Par	Par	100	100
1870	87	87	15	15	96	99·6
1871	83	83	20	20	100	99·7
1872	91	91	10	10	109	99·2
1873	95	96	5	4	111	97·4
1874	93	95		5	102	95·8
1875	90	94	11	6	96	93·3
1876	87	95	15	5	95	86·7
1877	88	93	14	8	94	90·2
1878	81	91	23	10	87	86·4
1879	71	87	41	15	83	84·2
1880	82	95	22	5	88	85·9
1881	77	91	30	10	85	85·0
1882	78	91	28	10	84	84·9
1883	75	90	33	11	82	83·1
1884	72	86	39	16	76	83·3
1885	68	82	47	22	72	79·9
1886	65	84	54	19	69	74·6
1887	66	87	51	15	68	73·3
1888	72	98	39	2	70	70·4
1889	71	101	41	−1*	72	70·2
1890	72	98	39	2	72	78·4
1891	72	90	39	11	72	74·1
1892	69	95	45	5	68	65·3
1893	68	107	47	−7*	—	—
July 1, 1892	67	101	50	−1*	67·8	65·9
October 1, 1892	66	105	51	−5*	66·8	62·7

* Decrease in purchasing power, that is, depreciation of 1 per cent., 5 per cent., 7 per cent.

APPENDIX VIII.

Appendix A. VIII.

(*Handed in by Mr. W. Lipscomb. See Question* 20,466.)

CENTRAL CHAMBER OF AGRICULTURE.

AGRICULTURAL HOLDINGS ACT COMMITTEE, 1894.

1. The Council of the Central and Associated Chambers of Agriculture, at their meeting held on February 4th, 1894, resolved—

> That in the opinion of this Council the time has come when the Agricultural Holdings Act requires amendment, and that a committee of not more than fifteen members be appointed to consider the various suggestions made by the Associated Chambers and Clubs, and to report what amendments in the Act are desirable.

The Committee was accordingly appointed as follows:—Mr. Channing, M.P. (Chairman of the Central Chamber), Mr. Jeffreys, M.P. (Vice-Chairman of the Central Chamber), The Right Hon. H. Chaplin, M.P., Mr C. S. Read, Mr. Lipscomb, Mr. Bowen-Jones, Mr. W. Biddell, Mr. Rowlandson, Mr. Carrington Smith, Mr. Treadwell, Mr. St. John Ackers, Mr. Kay, Mr. Latham, Mr. F. E. Muntz, and Mr. Kidner.

2. The Committee beg to report that at their first meeting on March 6th they elected Mr. Lipscomb as Chairman. They have held altogether five meetings. They have carefully considered all the suggestions sent up by Associated Chambers and Clubs (including some which have reached them since their appointment), and present an analysis of the same as an appendix to this Report. They have also gone carefully through the Agricultural Holdings Act, 1883, and considered what amendments are desirable (whether suggestions respecting them had been sent up or not).

3. The Committee, before proceeding to state the results of their deliberations, think it desirable to draw attention to the action which has been previously taken by the Central and Associated Chambers in regard to the question of tenant right.

PREVIOUS ACTION BY THE CHAMBERS.

4. In 1870 the Council declared that the application of capital to Agriculture was discouraged, among other causes, by "the uncertainty of tenure and absence of compensation for unexhausted improvements, and by unnecessary restrictions on cropping."

In 1872 a large number of resolutions were sent up by Associated Chambers, and the Central Council, after prolonged discussion at two meetings, resolved—

> (1) That this Council considers it necessary for the proper security of capital engaged in husbandry that, when such security is not given by a

Appendix A. VIII.

lease or agreement, the outgoing tenant should be entitled by law to compensation for the unexhausted value of his improvements, while, at the same time, the landlord should be paid for dilapidations and deterioration caused by default of the tenant, provided that such compensation is subject to previous consent of the owner in the case of buildings, drainage, reclamation, and other works of a permanent character.

(2) That this Council considers absolutely necessary a change in the law of tenancy so that in all yearly holdings, the letting and hiring of agricultural land, as well on entailed and ecclesiastical as on other estates, shall be subject to at least twelve months' notice to quit, cases of insolvency excepted.

5. In March, 1873, a Committee comprising Sir Michael Hicks-Beach (then Chairman of the Chamber), Mr. G. F. Muntz (then Vice-Chairman of the Chamber), Mr. E. Heneage, Mr. Clare Sewell Read, Mr. W. C. Little, Mr. W. Lipscomb, Mr. Russon, Mr. R. H. Masfen, and Mr. R. Fowler, was appointed to collect and prepare information on compensution for unexhausted improvements. Schedules of inquiry were distributed in all districts of England and Wales, many of the local Chambers making also independent inquiries, and sending up their reports and recommendations.

6. In the meantime, during the session of 1873, a Landlord and Tenant Bill—the earliest measure dealing with the subject which was laid before Parliament—was introduced by Mr. James Howard and Mr. Clare Sewell Read. This was discussed in April, and the following resolution passed :—

> That this Council, without pledging itself to the details of the Landlord and Tenant Bill, approves of its principle of compensation to tenants for the unexhahsted value of their improvements, and to landlords for dilapidation or deterioration caused by default of tenants ; and desires that security for this purpose, when not given by lease or agreement, should be provided by legislation, subject only to the written consent of the landlord in the case of permanent improvements.

A similar resolution was subsequently passed at a special general meeting of the Central Chamber. Objection was taken to the proposal to prevent the power to contract out, but the Chamber decided in favour of a measure which should *not be permissive*, but effectually made binding wherever security was not given by custom, lease, or agreement. The Bill was withdrawn owing to the sudden illness of Mr. Howard on the day when it would have come forward.

7. In 1874 the subject was again considered, and previous resolutions re-affirmed. A report was presented by the Committee showing the customs existing in most of the counties in England, and in June the Council authorised the Parliamentary Committee to draft a Bill.

8. In February, 1875, the final report of the Committee on Agricultural Customs was presented. It stated that

> Looking at the results of the inquiry so far as it has at present proceeded, revealing a very partial prevalence of equitable tenant right customs, very conflicting practices as between one county and another, and even between different parts of the same county, and over a very large number of counties and districts the absence of any compensation whatever for unexhausted capital invested by the occupier (and this a quarter of a century after the labours of Mr. Pusey's Committee and the attempted legislation of 1848), your Committee cannot but conclude that the time has arrived for a settlement of the agricultural customs of the kingdom upon an equitable basis.

The draft of an Agricultural Tenancies Bill was brought forward and discussed very fully at two meetings in February and March. As then settled it was forwarded to the Prime Minister and the Lord President of the Council, and in May the Government introduced their Agricultural Holdings Bill. The Council cordially concurred in the main principle of this measure, but regarded with great doubt the principle of mainly testing the amount of compensation by the increase or diminution of letting value of the holding.

Attempts were made on behalf on the Chamber to modify the unconditionally permissive character of the Bill, but the amendments brought forward with this object were defeated. The principle laid down by the Council, and consistently adhered to, was "compensation certain—if not by agreement, then by law. The measure, however, was passed without the demands of the Chambers being met.

The Act of 1873.

9. It may be of interest to recapitulate the main provisions of the Agricultural Holdings Act of 1875, as it was repealed by the Act of 1883, and is now not easily accessible. It came into operation on February 14th, 1876, and every new tenancy created after that date was subject to its provisions, *unless an agreement that it should not apply was made in writing between landlord and tenant.* It applied to all tenancies from year to year or at will existing at the time of its commencement, *unless either landlord or tenant give notice within two months that the existing contract of tenancy should be unaffected.* Twelve months' notice to quit was substituted for six months, in accordance with the suggestion in the draft Bill of the Chrmbers.

The three groups of improvements (corresponding to the permanent, durable, and temporary improvements set forth in the Bill of the Chambers) were described as first-class, second-class, and third-class improvements respectively the maximum limit of exhaustion being taken as twenty years for the first-class, seven years for the second-class, and two years for the third-class.

Thirteen improvements were specified in the first-class, namely, drainage, erection or enlargement of buildings laying down permanent pasture, the making of osier beds, water meadows, irrigation works, gardens, or fences, the making or improving of roads and bridges, of watercourses, ponds, wells, or reservoirs, or of works for the supply of water for agricultural or domestic purposes, as well as the planting of hops and orchards, and the reclaiming or warping of land. For these works the previous written consent of the owner was indispensable. It was provided by the 7th section of the Act that the tenant's compensation was to be "the sum laid out by the tenant on the improvement, with a deduction of a proportionate part thereof for each year while the tenancy endures after the year of tenancy in which the outlay is made and while the improvement continues unexhausted.

Second-class improvements were boning with undissolved bones, chalking, clay-burning, or the claying, liming, or marling of land. The period fixed for endurance was seven years, and notice was required to be given in each case to the landlord not more than 42 or less than 7 days before commencing.

Purely temporary improvements of the third-class consisted of applications of purchased manures, and the consumption by cattle, sheep, or pigs on the holding of cake and other feeding stuff not grown on the farm, No compensation was due if a corn, potato, hay seed, or other exhausting crop has been taken from the improved portion of the holding, nor was any recoverable under the Act in cases where the tenant was, by custom or by agreement, allowed payment by the landlord or the incoming tenant for additional value produced by the consumption of feeding stuff in the manure left on the holding. The outlay must have been properly incurred, and the sum finally awarded was to represent the value of the improvement to an incoming tenant. Neither was claim allowed by this statute whereby the tenant could be credited with a larger outlay in the last year of his tenancy than the average of the three preceding years, and an equivalent in manure was to be returned for all hay, straw, roots, or green crops sold off the holding before a claim for compensation was made.

The landlord could counter-claim for waste or breach of covenant committed within four years of the close of the tenancy.

The procedure was by arbitration, unless the parties themselves agreed. One referee might be jointly appointed, or landlord and tenant each might appoint one, such referees appointing an umpire. If they failed to do this the appointment might be made by the County Court judge, or either the Inclosure Commissioners or the County Court judge might be invited by either party to name the umpire without leaving it to the referees. The award was to set forth, "as far as "reasonably may be," the details by which the compensation awarded was arrived at. On paying compensation the landlord might obtain, on the order of the

County Court, a charge on the holding, but no instalment or interest was to be made payable in the case of a landlord who was not an absolute owner for his own benefit after the time when improvement paid for was assumed to be exhausted.

The Act of 1883.

10. It was long before proposals were brought in for amending this Act. A general meeting of owners and occupiers of land was convened under the auspices of the Central Chamber and of the Farmers' Club, on the 2nd July, 1879, to consider remedies for the depression in Agriculture. This was very largely attended, and the permissive character of the Agricultural Holdings Act was generally condemned. A Royal Commission was unanimously demanded to enquire into the causes of depression. This demand was at once acceded to by the Government, and in August the Commissioners were appointed for the purpose.

In their Report, issued in 1882, the Commissioners "recommend that the principle of the Agricultural "Holdings Act relating to compensation should be "made compulsory in all cases where such compensa-"tion is not otherwise provided for."

11. In 1881 Mr. Chaplin and Sir Thomas Acland introduced their Bills, and the Council again approved the principle of both, expressing, however, a preference for the former, as it established the principle originally laid down by the Council in the draft Bill suggested by them before the introduction of the Agricultural Holdings Act, that every tenant on quitting his holding should be compensated by law, by custom, or agreement.

Two Bills were also introduced in the same Session dealing with the law of Distress, and the Council approved the principle of exempting agisted stock and hired machinery, and also the limitation of the power to distrain to a period of two years.

12. In 1882 the Council re-affirmed their resolutions of the previous year. Two Select Committees of the House of Commons were appointed to consider the Bills introduced to amend the laws relating to Agricultural Holdings and to Distress.

13. Early in 1883 the Council again pressed their demand for legislation, and the Government late in the Session introduced their Bill. Two meetings were held by the Council to consider it, and it was approved generally with some criticism of details. The Select Committee on the Law of Distress having reported in favour of the limitation of the power to distrain to one year, the Council approved the inclusion of this recommendation in the Agricultural Holdings Act. The Act was passed on 25th August of this year.

14. It was at once felt by practical men that although "the Value of the Improvement to an Incoming Tenant" was theoretically sound, as a measure of compensation it left wide scope for dispute, which would tend to increase the costs of arbitration, with nothing more definite as a guide. On December 12th, 1883, the Council debated as to the expediency of adopting a basis of valuation, such as was proposed by the Lincolnshire and West Riding Chambers.

As a result a Committee was appointed to draw up a standard of compensation under the Act. It consisted of Mr. Lipscomb (Chairman), the Right Hon. H. Chaplin, M.P., the Earl of Suffolk and Berkshire, the Hon. M. Finch-Hatton, M.P., Mr. Heneage, M.P., Mr. W. Biddell, M.P., Mr. Bowen-Jones, Mr. C. S. Read, Mr. Bell, Mr. Willson, Mr. Jabez Turner, Mr. W. T. Scarth, and Mr. Duckham.

The Report of this Committee was presented in June 1884, and contained a proposed scale of allowances for the unexhausted nominal value of feeding stuffs, with a schedule giving the suggestions sent up by Associated Chambers from various districts. In December following the Report was adopted unanimously.

15. In March 1889, and again in May 1890, the question of the position of a tenant on land subject to mortgage was considered, and on the latter occasion the following resolution was carried:—

> That where compensation for improvement is due to the occupier under the Agricultural Holdings Act of 1883, such compensation shall, with the exception of any sum arising from the payment of tithes, be a first charge on holdings, any contract with the mortgagee under the provisions of the Conveyancing Act of 1881, or of the Settled Land Act of 1882, notwithstanding; and that it is expedient to introduce a Bill into Parliament to amend the existing law in such cases.

A Bill was immediately afterwards introduced by Col. Cotton-Jodrell to give effect to this resolution, and passed into law.

16. In May 1890, the Council resolved—

> That home-grown corn, being now so very much consumed, should, under proper safeguards, be included in the third part of the Schedule under which compensation is to be given.
>
> That te counter-claims of landlords under the Agricultural Holdings Act should be scheduled.

17. In November of the same year the Council resolved—

> That in the opinion of this Council it is desirable to amend the Agricultural Holdings Act by establishing the relation of landlord and tenant, for the purpose of compensation under the Act, as between a tenant for life occupying his own land and the remainderman.

RECOMMENDATIONS.

18. The Committee have to a considerable extent formulated their recommendations as specific amendments to the present Agricultural Holdings Act, but they have not thought it within their reference to attempt to draft a new Bill, or to completely set out all the amendments which may be consequential on their recommendations. They now proceed to state the alterations in the Act which they recommend to the Council.

19. *Basis of Compensation.*—The Committee recommend that the words—

> "Provided always that in estimating the value of any improvement in the First Schedule hereto, there shall not be taken into account as part of the improvement made by the tenant what is justly due to the inherent capabilities of the soil,"

be struck out of Section I.

20. *Compensation to tenant for unexhausted improvements.*—The Committee recommend that the First Schedule should be amended so as to stand as follows:—

Part I.

Improvements to which Consent of Landlord is required.

(1.) Erection or enlargement of buildings.
(2.) Formation of silos.
(3.) Making and planting of osier beds (exceeding one acre).
(4.) Making of water meadows or works of irrigation.
(5.) Making of gardens (exceeding one acre).
(6.) Planting of orchards or fruit bushes (exceeding one acre).
(7.) Making of roads or bridges.
(8.) Making of watercourses, ponds, wells, or reservoirs, or of works for the application of water power, or for supply of water for Agricultural or domestic purposes.
(9.) Making of fences.
(10.) Removal of fences.
(11.) Planting of hops.
(12.) Reclaiming of uninclosed waste land.
(13.) Warping of land.
(14.) Embankment and sluices against floods.

Part II.

Improvements in Respect of which Notice to Landlord is required.

(15.) Drainage.
(16.) Improving of roads.
(17.) Improving of watercourses, wells, or reservoirs, or of works for the application of water power, or for supply of water for agricultural or domestic purposes.
(18.) Laying down of permanent pasture.
(19.) Making of gardens (not exceeding one acre).
(20.) Planting of orchards or fruit bushes (not exceeding one acre).
(21.) Making and planting of osier beds (not exceeding one acre).
(22.) Reclaiming of enclosed waste land.

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Part III.

Improvements to which Consent of or Notice to Landlord is not required.

(23.) Boning of land with undissolved bones.
(24.) Chalking of land.
(25.) Clay burning.
(26.) Claying of land.
(27.) Liming of land.
(28.) Marling of land.
(29.) Application to land of purchased artificial or other purchased manure.
(30.) Consumption on the holding by horses exclusively engaged or kept on the holding, cattle, sheep, or pigs, of cake, or other feeding stuff not produced on the holding.
(31.) Consumption on the holding by horses exclusively engaged or kept on the holding, cattle, sheep, or pigs, of corn produced on the holding, provided that satisfactory evidence be adduced of the same.
(32.) Two years' and older seeds, if a good plant, and the land clean and in good heart.
(33.) Increased fertility of the holding, due to continuous good farming.
(34.) Any other improvement increasing the value of the holding as an agricultural holding, and not specifically mentioned in this schedule, for which the tenant is not otherwise compensated.

19. *Record of Condition of Holding.*—The Committee recommend that the Act be amended so as to provide:—

(1.) That on the face of every award in the case of a quitting tenant, there shall be a record in a scheduled form of the general condition of the holding.
(2.) That in case of no award a record shall be made either by the landlord and entering tenant themselves, or by a valuer or valuers; and that such record shall be in duplicate or accessible to both landlord and tenant, and signed by all parties making the record.

20. *Compensation to Landlord for Dilapidations.*—The Committee recommend that the dilapidations for which a landlord may claim be scheduled, and that the following be inserted as the Second Schedule to the Act:—

(1.) Unduly mowing grass lands.
(2.) Over-cropping.
(3.) Land neglected or rendered foul by default of the tenant.
(4.) Breaking up old grass land without written consent of landlord.
(5.) Neglect of gates and fences.
(6.) Neglect of roads.
(7.) Neglect of drains, outfalls, and watercourses, for which the tenant is liable.
(8.) Damage to plantations, coppices, and timber included in the holding.
(9.) Neglect of ordinary repairs of buildings, for which the tenant is liable by custom or agreement.
(10.) Loss of manure by hay, straw, roots, or green crops, removed off the farm without written consent of the landlord, or without previous security having been given that equivalent manurial value has been or will be forthwith brought on the holding, and, of required, vouchers for the same produced at the next rent audit, provided that no removal of hay, straw, roots, or green crops, being the last year's produce, shall take place, except with the written consent of the landlord.
(11.) Other dilapidations and deteriorations or decreased fertility of the holding, caused by act or neglect of the tenant which detract from the letting value of the holding.

The Committee further recommend that the period in respect of which a landlord may claim for waste or breach (Section 6) be reduced from four years to two years.

21. *Notice of Claims.*—The Committee recommend that the tenant and landlord shall have an equal right to claim for improvements or dilapidations respectively, and that Section 7 be amended accordingly so as to read as follows:—

A tenant claiming compensation under this Act shall, twenty-eight days at least before the determination of the tenancy, give notice in writing to the landlord of his intention to make such claim.

A landlord shall, twenty-eight days at least before the determination of the tenancy, give notice in writing to the tenant of his intention to make a claim in respect of any waste or any breach of covenant or other agreement, provided that the landlord shall have power, within fourteen days after the determination of the tenancy, to amend his claim in respect to dilapidations to buildings occurring after the notice of claim has been delivered.

Every such claim shall state, as far as reasonably may be, the particulars and amount of intended claim.

22. *Appointment of Valuers and Umpires, and Procedure.*—The Committee recommend:—

That the word "valuer" be substituted for "referee" throughout the Act.

That either the landlord or tenant may act as his own valuer.

That the county council for every county (other than the metropolis) shall from time to time appoint such number of fit persons as they shall think fit to be umpires, and shall forward the names of such persons to the Board of Agriculture, who shall appoint all umpires to be appointed by them under the Act from such list.

That all umpires appointed under the Act shall be selected from a list of valuers nominated by county councils, and sanctioned by the Board of Agriculture.

That in the event of valuers not appointing an umpire before they enter upon the reference (as provided by Section 9, ss. 7) they shall not be entitled to their charges.

That the authority to appoint an umpire in the event of the valuers failing to do so shall be the Board of Agriculture (Section 9, ss. 9).

That the costs of and attending a reference (Section 20) shall be subject to review by the Board of Agriculture, who shall also draw up, and from time to time revise, a scale of maximum fees for umpires.

That on questions of fact and value there shall be no appeal from the award of the umpire, but that on any question of law there may be, at the request of either party, an appeal to the judge of the county court, whose decision shall be final.

That the day fixed by the award for the payment of money awarded shall be "not later than two months" (instead of "not sooner than one month") after the delivery of the award.

That if any umpire shall be proved to the satisfaction of the Board of Agriculture to be incompetent or guilty of any misconduct in the execution of his duty as an umpire, he shall be liable to have his appointment summarily cancelled by the said Board.

23. *Service of Notice.*—The Committee recommend that Section 28 be amended so that a notice sent by post shall be deemed to have been served at the time when the letter containing it was registered.

24. *Fixtures.*—The Committee recommend that the right of the tenant to remove fixtures shall be limited to ten days (instead of "a reasonable time," Section 34) after the termination of the tenancy; and further, that a tenant who shall have acquired by purchase any fixture, under Section 34, shall be in the same position as though he himself had affixed or erected the same.

25. *Damage by Works on Land Resumed.*—The Committee recommend that a tenant shall be entitled to fair and reasonable compensation for any damage which he may suffer by the construction or carrying out of any of the works mentioned in Section 41.

26. *Distress.*—The Committee recommend that the right of a landlord to distrain for rent be limited absolutely to rent for twelve months before the making of such distress; and that the period within which (under the Law of Distress Amendment Act, 1888) a tenant may replevy goods and chattels distrained be extended to twenty-one days.

27. *Loans to Landlords for Carrying out Improvements.*—The Committee recommend that the Board of Agriculture be empowered to grant loans to landowners for carrying out improvements on their estates.

Signed on behalf of the Committee,

WM. LIDSCOMB,
Chairman.

April 30th, 1894.

CENTRAL AND ASSOCIATED CHAMBERS OF AGRICULTURE.

AGRICULTURAL HOLDINGS ACT COMMITTEE, 1894.

ANALYSIS OF SUGGESTIONS RECEIVED FROM ASSOCIATED CHAMBERS AND CLUBS.

No.	Name of Chamber.	Compensation for Improvement. Section 1.	Improvements executed after Commencement of Act. Sections 3–5.	Regulations as to Compensation. Section 6.	Procedure.			Change of Tenant's Compensation and Notice to quit. Sections 29–33.	Fixtures. Section 34.	Crown, Duchy, Ecclesiastical, and Charity Lands and Resumption for Improvements, &c. Sections 41–43.	Distress. Sections 44–52.	General Provisions, Definitions, &c. Sections 53–64.	First Schedule.	Additional Suggestions and Opinions.	Notes.
					Notice of Claim. Section 7.	Reference. Sections 8–14.	Award. Sections 15–28.								
1	BERKS AND OXON CHAMBER.	Omit proviso as to inherent capabilities of soil.	Omit Section 3 (consent of landlord to improvements in Part I. of Schedule I.) Part II. (proposed to be Part I.) of Schedule I. (improvements made after notice) to apply only to tenants holding under lease of which at least 3 years are unexpired, or under a two-yearly agreement; and in latter case only, if tenant gives notice to quit within 12 months after completion of improvement, except in case of death of tenant. (Section 4.)	- - -	Tenant to give 21 days' notice of claim (instead of two months.) Landlord to have right to claim irrespective of any notice of claim by tenant.	Omit Sections 10 and 11 and "substitute new clause empowering Board of Agriculture to appoint umpire." (a)	Allow appeal (Section 23) irrespective of amount of claim. Appeal to be heard and decided by assessor appointed by the Board of Agriculture (instead of County Court Judge).	- -	Include formation of silos. Provide that incoming tenant who purchases fixtures of an out-going tenant which landlord has refused to take to shall, at the termination of his tenancy, be in the same position as though he himself had erected them.	- - -	Extend period within which tenant may replevy his goods to 21 days (Section 51).	Definition of "tenant" — "The holder of land under a contract of tenancy." (Section 61.) Extend Act to market gardens, and omit "as to any holding let to the tenant during his continuance in any office appointment or employment held under the landlord." (Section 54.)	Omit Part I. Part II. to become Part I., and comprise:— 1. Drainage. 2. Laying down permanent pasture. 3. Making of water meadows or works of irrigation. 4. Making or improving roads or bridges. 5. Making or improving of water courses—ponds, wells, or reservoirs, or of works for the application of water power, or for supply of water for agricultural or domestic purposes. 6. Planting of orchards. 7. Reclaiming of waste lands. 8. Embankment and sluices against floods. Part III. to become Part II., and include consumption on the holding by horses, cattle, sheep, or pigs, of cake or other feeding stuff, whether purchased or produced thereon; also 1. Making and planting osier beds. 2. Making of gardens. 3. Making of fences. 4. Planting of hops. 5. Planting of fruit bushes. 6. Warping of land.	Act in all cases to supersede "custom." Provide compensation for disturbance for tenant receiving notice to quit owing to change of ownership. Board of Agriculture empowered to grant loans to landlords for carrying out improvements.	(a) Under Section 10 Board of Agriculture appoints umpire on application of either party.
2	BLANDFORD FARMERS' CLUB.	- - -	- - - - -	- - -	Sections 7 to 23 to be made clearer and more definite, and procedure simplified and cheapened.	- - -	Reference under arbitrators to be made final (Section 23).	- -	- - - - -	- - -	- - -	- - -	Reconsider First Schedule.	Act in the main fairly conceived.	—

Analysis of Suggestions received from Associated Chambers and Clubs—*continued.*

No.	Name of Chamber.	Compensation for Improvement. Section 1.	Improvements executed after Commencement of Act. Sections 3–5.	Regulations as to Compensation. Section 6.	Procedure.			Change of Tenant's Compensation and Notice to quit. Sections 29–33.	Fixtures. Section 34.	Crown, Duchy, Ecclesiastical, and Charity Lands and Resumption for Improvements, &c. Sections 41–43.	Distress. Sections 44–52.	General Provisions. Definitions, &c. Sections 53–64.	First Schedule.	Additional Suggestions and Opinions.	Notes.
					Notice of Claim. Section 7.	Reference. Sections 8–14.	Award. Sections 15–28.								
3	Bucks Chamber.	- - -	- - - -	- - -	Notice of claim simultaneously by landlord and tenant.	- - -	- - - -	- - -	- - -	- - -	- - -	- - -	Compensation for home-grown corn consumed on the holding.	Diminish technicalities of Act.	—
4	Canterbury Farmers' Club.	Strike out "on quitting his holding" and the proviso.	- - - -	- - -	Strike out "give notice in writing."	Substitute County Court Judge for Board of Agriculture (Section 10).	- - - -	- - -	- - -	Strike out "at the expiration of their current year of tenancy," and insert, "at the same time as the notice given to the tenant by the landlord to quit a part of his holding"—(Section 41).	- - -	- - -	Compensation for home-grown corn consumed on the holding.	—	—
5	Cheshire Chamber.	Adequate compensation for all improvements—fairly representing their value to incoming tenant.	- - - -	- - -	- - -	Board of Arbitration in each county to settle all differences between landlord and tenant.	- - -	- - -	- - -	- - -	- - -	- - -	Compensation for home-grown corn consumed on the holding.	Better security of tenure. Greater freedom of cultivation. Liberty to sell produce without detriment to the land.	—
6	Cleveland Chamber.	- - -	- - - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	Compensation for continuous good farming. Compensation for home-grown corn consumed on holding.	—	—
7	Darlington Chamber.	- - -	- - - -	- - -	Tenant to give 10 days' notice of claim. Landlord to give 10 days' notice of counter claim.	- - -	Referee to have 40 days (instead of 28 days) for making his award (Section 16).	- - -	- - -	- - -	- - -	- - -	Compensation for home-grown corn consumed by cattle, sheep, and pigs, on holding—tenant to keep an account of quantity crushed and consumed.	—	—
8	Gloucestershire Chamber.	- - -	- - - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	Compensation for home-grown produce consumed on holding.	—	—

Analysis of Suggestions received from Associated Chambers and Clubs—*continued.*

No.	Name of Chamber.	Compensation for Improvement. Section 1.	Improvements executed after Commencement of Act. Sections 3-5.	Regulations as to Compensation. Section 6.	Procedure. Notice of Claim. Section 7.	Procedure. Reference. Sections 8-14.	Procedure. Award. Sections 15-28.	Change of Tenant's Compensation and Notice to quit. Sections 29-33.	Fixtures. Section 34.	Crown, Duchy, Ecclesiastical, and Charity Lands and Resumption for Improvements, &c. Sections 41-43.	Distress. Sections 44-52.	General Provisions, Definitions, &c. Sections 53-64.	First Schedule.	Additional Suggestions and Opinions.	Notes.
9	LANCASHIRE FARMERS' FEDERATION.	Omit proviso. Compensation for all improvements based upon actual expenditure, (*b*) unless such expenditure proved to be worthless in the opinion of the official valuer.	Capital improvements made by tenant to be subject to consent of landlord, or failing such consent on the certificate of an official valuer.	- - -	Landlord and tenant to send claims on same day—one month before expiration of tenancy — to Registrar of County Court.	Official valuers appointed by district councils.	- - -	- - -	- - -	- - -	Abolish law of distress.	- - -	Complete scale of compensation to be scheduled.	A "Tenant Right Bill" required.	(*b*) This was the basis adopted in the Agricultural Holdings Act of 1875. (Sections 8, 9.)
10	MILBORNE ST. ANDREW'S FARMERS' CLUB.	Compensation for all improvements.	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	Allowance in valuation for corn grown by consumer where a grinding record can be shown in same proportion as bought.	Compensation for capricious disturbance. Give tenant security in holding. Freedom of cultivation except last year of tenancy. Free sale of produce except last year of tenancy. Divide rates equally between owner and occupier. (*c*) No shooting to let over be tenant. (*c*) Equal right of tenant with landlord to all game. (*c*)	(*c*) Outside reference to Committee.
11	NORFOLK CHAMBER.	- - -	Record to be made at entry of state of buildings and condition of land. Good and clean cultivation to be scheduled for compensation unless rent is reduced by reason of foul and exhausted condition of land at time of entry.	Landlord's dilapidations to be scheduled and claim confined to Act, unless tenant is allowed to claim under custom and agreement, as well as under Act. Cross-cropping not to be a dilapidation unless land is left deteriorated and foul.	Landlord's counterclaim in one month. Landlord and tenant allowed to amend claims up to expiration of tenancy. No after-claims allowed.	- - -	- - -	- - -	- - -	- - -	- - -	- - -	Two years and older seeds to be paid for if a good plant, and the land clean and in good heart. Compensation for home-grown corn consumed on holding, if consumption certified and proved correct.	——	——

Analysis of Suggestions received from Associated Chambers and Clubs—*continued.*

No.	Name of Chamber.	Compensation for Improvement. Section I.	Improvements executed after Commencement of Act. Sections 3-5.	Regulations as to Compensation. Section 6.	Procedure.			Change of Tenant's Compensation and Notice to quit. Sections 29-33.	Fixtures. Section 34.	Crown, Duchy, Ecclesiastical, and Charity Lands and Resumption for Improvements, &c. Sections 41-43.	Distress. Sections 44-52.	General Provisions, Definitions, &c. Sections 53-64.	First Schedule.	Additional Suggestions and Opinions.	Notes.
					Notice of Claim. Section 7.	Reference. Sections 8-14.	Award. Sections 15-28.								
12	NORTHAMPTON CHAMBER.	Full compensation on termination of tenancy for all improvements which add to letting value of holding.	- - - -	Full payment to landlord for all dilapidations or deterioration suffered by neglect or fault of tenant, and which lower the letting value of the farm.	- - -	- - -	- - - -	- -	- - -	- - -	- - -	- - -	- - - -	—	—
13	NORTH COTSWOLD FARMERS' ASSOCIATION.	Absolute and indefeasible right of tenant to unexhausted value of any agricultural improvement.	- - - -	Two years' (instead of four) limit of landlord's claim for waste or breach.	Landlord's and tenant's claim on same day, one month before expiration of tenancy.	- - - -	- - -	- -	- - -	- - -	- - -	- - -	Compensation for home-grown corn consumed on the holding.	—	—
14	ROMSEY AND SOUTH HANTS FARMERS' UNION.	- - -	Record of farm on a change of tenancy to be made by official valuer.	- - -	Concurrent notice of claims made by both landlord and tenant—not less than one month before expiration of tenancy.	Appoint county valuers at fixed moderate rates of remuneration.	- - -	- -	- - -	- - -	- - -	- - -	Improvements under First Schedule (*d*) to be limited to buildings, making of water-meadows and irrigation, application of water power and warping land. Compensation for home-grown corn consumed on holding.	Repeal Act and pass new one. Freedom of cultivation and sale of all crops. Uniform system of valuation for hay and straw.	(*d*) First Part of First Schedule apparently meant.
15	SHROPSHIRE CHAMBER.	Adequate compensation on determination of tenancy for all improvements.	- - - -	- - -	Simplify and cheapen procedure.	- - -	- - -	- -	- - -	- - -	- - -	- - -	- - - -	Greater security of tenure and freedom to make improvements and to cultivate and sell produce without detriment to agricultural value of holding.	—
16	SNAITH CHAMBER.	- - -	- - - -	- - -	- - -	- - -	- - -	- -	- - -	- - -	- - -	- - -	- - - -	Disagree with proposals of Lancashire Federation.	—

Analysis of Suggestions received from Associated Chambers and Clubs—*continued.*

No.	Name of Chamber.	Compensation for Improvement. Section I.	Improvements executed after Commencement of Act. Sections 3-5.	Regulations as to Compensation. Section 6.	Procedure. Notice of Claim. Section 7.	Procedure. Reference. Sections 8-14.	Procedure. Award. Sections 15-28.	Change of Tenant's Compensation and Notice to quit. Sections 29-33.	Fixtures. Section 34.	Crown, Duchy, Ecclesiastical, and Charity Lands and Resumption for Improvements, &c. Sections 41-43.	Distress. Sections 44-52.	General Provisions, Definitions, &c. Sections 53-64.	First Schedule.	Additional Suggestions and Opinions.	Notes.
17	South Wilts Chamber.	Make Section 1 "more clear and definite."	- - - -	- - -	Simplify and cheapen procedure.	- - -	- - -	- -	- - -	- - -	- - -	- - -	Reconsider Schedule -	Act in the main fairly conceived.	—
18	Staffordshire Chamber.	Absolute indefeasible right of tenant to unexhausted value of any agricultural improvement.	- - - -	- - -	- - -	- - -	- - -	- -	- - -	- - -	Abolish law of distress.	- - -	- - - -	Divide rates equally between owner and occupier. (*e*) Relieve land from taxation. (*e*)	(*e*) Outside reference to Committee.
19	Stockton-on-Tees Chamber.	Full value or possession of all improvements.	"Reference under Act" if consent is unreasonably withheld to improvements in Part I., Schedule I.	- - -	Time for claims, end of tenancy, 14 days' notice to landlord to allow counter-claim.	- - -	- - -	- -	- - -	- - -	- - -	- - -	Compensation for home-grown corn consumed on the holding. Compensation for continuous good farming.	—	—
20	Sussex and East Hants Association.	Reconstruct tenant right.	- - - -	- - -	- - -	Amend arbitration arrangement.	- - -	- -	- - -	- - -	- - -	- - -	- - - -	Just security to capital employed. Omit litigation clauses.	—
21	Taunton Farmers' Club.	Tenant on quitting entitled to whole increased value due to his action.	- - - -	Landlord entitled to compensation for deterioration due to mismanagement or neglect of tenant.	- - -	Power to either party to act himself, or by deputy, in valuation. Practical official referee, popularly elected, in each district to whom disputes may be referred.	- - -	- -	- - -	- - -	- - -	- - -	- - - -	Freedom of cultivation. Freedom of sale. Compensation for disturbance.	—
22	Totnes Union Chamber.	- - -	Record of farm to be made at entry, to be submitted on quitting to valuers, and compensation paid to party entitled to it.	- - -	Landlord and tenant to have equal right to claim.	Power to tenant to nominate three surveyors, who should be registered. If landlord or incoming tenant does not elect one so nominated, County Court to appoint.	- - -	- -	- - -	- - -	Abolish law of distress.	- - -	Compensation for home-grown corn consumed on holding.	Allow tenant on quitting for all farmyard and other unspent manures. Compensation first charge before mortgagee. (*f*)	(*f*) This is provided by Tenants' Compensation Act, 1890.

Analysis of Suggestions received from Associated Chambers and Clubs—*continued.*

No.	Name of Chamber.	Compensation for Improvement. Section 1.	Improvements executed after Commencement of Act. Sections 3–5.	Regulations as to Compensation. Section 6.	Procedure.			Change of Tenants' Compensation and Notice to quit. Sections 29–33.	Fixtures. Section 34.	Crown, Duchy, Ecclesiastical, and Charity Lands and Resumption for Improvements, &c. Sections 41–43.	Distress. Sections 44–52.	General Provisions, Definitions, &c. Sections 53–64.	First Schedule.	Additional Suggestions and Opinions.	Notes.
					Notice of Claim. Section 7.	Reference. Sections 8–14.	Award. Sections 15–28.								
23	WARWICKSHIRE CHAMBER.	Omit proviso	Approve Section 3. Section 4, two months' notice for drainage instead of three.	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	Compensation for home-grown corn consumed on holding.	Due security for tenant's capital; proper compensation for *bonâ fide* improvements; removal of harassing restrictions as to cultivation and sale. Due compensation to landlord for dilapidations and full security for maintenance and fertility of land.	—
24	WEST RIDING CHAMBER.	Omit reference to "inherent capabilities of evil."	- - - -	Two years (instead of four) limit of landlord's claim for breach.	Reduce time for notice by tenant to one month. Landlord's counter-claims at same time for land, within 14 days after expiration of tenancy for buildings.	- - -	- - -	- - -	- - -	- - -	- - -	- - -	Transfer :— Laying down permanent pasture. Making of gardens not exceeding ¼ acre). Planting of orchards or fruit bushes not exceeding ¼ acre). To Part II. :— Add compensation for home-grown corn consumed on holding to Part III.	—	—
25	WORCESTERSHIRE CHAMBER.	- - -	- - - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	Diminish technicalities which impede claims to compensation.	—

CENTRAL CHAMBER OF AGRICULTURE.

Report of the Committee on the Agricultural Holdings Act.

Addendum.

The Committee on the Agricultural Holdings Act (appointed February 4th, 1894) presented their Report to the Council on June 5th, 1894.

On the motion of Mr. Lipscombe, seconded by Mr. T. Carrington Smith, the Council received the report and resolved to consider it clause by clause.

Clauses 1 to 15, down to "recommendations," were adopted.

Clauses 16 and 17, "recommendations," were adopted.

Clause 18 was amended by the insertion of the word "alteration" after "erection" in Item, 1, Part I., of the First Schedule.

Clause 19 was adopted.

Clause 20 was amended as regards the proposed schedule of dilapidations for which a landlord may claim in the following particulars:—

Item (2). The words "without adequate manuring" added.

Item (4). The word "old" struck out and "permanent" inserted. After grass land the words "existing at the commencement of the tenancy, "towards which the landlord has contributed," inserted.

Item (6). The words "for which the tenant is liable" added.

Item (10). All after "without" in first line to "provided" in fourth line struck out, and the words "adequate manure being returned" inserted.

Clause 21 amended by striking out "fourteen" and inserting "twenty-eight" days as the period within which the landlord may amend his claim, and by the addition of the following words:—

"Provided that where the tenancy of the holding is determined at different periods with respect to the land and the buildings, the valuers or the umpires shall be empowered to make an interim award as to the matters affected."

[Note.—"Every such claim" should read "every such notice."

Clause 22. Verbal amendment made in first line of paragraph three, "appoint" struck out and "nominate" inserted.

Clause 23 adopted.

Clause 24 amended by striking out "ten" and inserting "twenty-eight" days for removal of fixtures.

Clauses 25 and 26 adopted.

Clause 27 amended by the addition of the words:—

"At a rate of interest not greater than 2¾ per cent. with a sinking fund upon the usual basis."

R. Henry Rew,
Secretary.

APPENDIX IX.

(*Handed in by the Rev. A. L. Sparkes. See Questions* 21,288–9.)

Synopsis for the County of Leicestershire.

Divisions.	Average Acreage of Holdings.	Average Number of Labourers per Holding.	Average Number of Acres to each Labourer.	Average present Rent per Acre.	Average Rent Ten Years ago.	Reductions of Rent per Acre.	Reductions of Rent per Cent.	Average Rates in the £.	Average Rates per Acre.	Average Wages of Labourers. †	Average Cost of Labour per Acre per Annum.†	Average Loss on Wool per Cent., 1893–1883.	Average Loss per Cent. on Milk, 1893–1883.	Average Loss per Cent. on Cheese, 1893–1883.	Average Loss per Ce nton Bu tter 1893–1883.	Average Loss per Cent. on Beef, 1893–1883.	Average Loss per Cent. on Mutton, 1893–1883.	Total Cost of Rent and Labour per Acre per Annum.
				£ s. d.	£ s. d.	£ s. d.		s. d.	s. d.	£ s. d.	£ s. d.							£ s. d.
Harboro'	232	5·35	43·6	1 9 7½	1 19 1	0 9 5½	24·10	2 3¾	3 5½	0 16 2¾	0 19 4½	40·63	17·79	15·61	10·97	25·30	22·38	2 9 0
Melton*	133	2·30	51·6	1 12 11½	1 15 6¼	0 2 6¾	7·14	1 9¼	2 10½	0 14 11¼	0 15 1	26·80	—	—	10·50	25·60	17·64	2 8 0½
Loughboro'	157	2·35	65·2	1 5 8⅓	1 16 2	0 10 5⅓	30·32	2 4¼	3 0¼	0 15 6½	0 12 4½	40·10	25·40	12·56	17·60	25·72	26·49	1 18 1
Ashby district	157	3·3	46·3	1 11 9⅓	1 17 10⅓	0 6 1	17·34	1 10¾	3 0¼	0 17 5¼	0 19 7½	28·66	13·42	9·1 0	20·83	26·79	25·78	2 11 5
Bosworth district	192	3·30	75·3	1 6 7¼	1 16 5	0 9 9¾	26·54	2 5¾	3 4¼	0 17 6½	0 12 2½	28·70	—	21·18	14·35	19·40	21·40	1 18 9¾
Hinckley district	144	2·81	51·4	1 7 0½	1 14 9¾	0 7 9¼	22·30	2 7½	3 6⅜	0 16 0	0 16 2½	27·80	—	10·40	16·14	22·12	21·60	2 3 3
Totals	1,015	19·44	333·4	8 13 8¾	10 19 10	2 6 1⅜	127·74	13 5½	19 3½	4 17 8¼	4 15 1	196·69	56·61	68·85	90·39	144·93	135·29	13 8 7¼
Average for the whole county	169	3·24	55·6	1 8 11¼	1 16 7¾	0 7 8¼	21·29	2 2¾	3 2½	0 16 3¼	0 15 10	32·12	18·87	13·77	15·06	24·15	22·55	2 4 9¼

† Does not account for occasional or harvest labour.

* Only includes a radius of five miles from Leicester, and is chiefly occupation land.

APPENDIX X.

(Handed in by the Duke of Richmond and Gordon, K.G., &c. See Question 22,574.)

FORM of LEASE used on the GOODWOOD ESTATE.

THIS INDENTURE made the day of one thousand eight hundred and , between the THE MOST NOBLE CHARLES HENRY DUKE of RICHMOND AND GORDON, K.G., of Goodwood, in the county of Sussex, of the one part, and in the parish of in the said county, farmer, of the other part. WITNESSETH that the said CHARLES HENRY DUKE OF RICHMOND AND GORDON doth hereby demise to the said his executors and administrators:—All those farm, farmhouse, lands and premises situate in the parish of , in the county of Sussex, and called or known by the name of , and which are more particularly mentioned and described in the Schedule hereto, and in the plan thereof, hereto annexed, reserving thereout unto the said CHARLES HENRY DUKE OF RICHMOND AND GORDON, his heirs and assigns: All timber trees, tellers, and trees likely to become timber, and the right of entry to cut, convert, and carry away all such timber, and for all reasonable purposes; And also reserving all chalk, clay, brickearth, gravel and stones, and substrata, with power to work, convert, and carry away the same and to make roads for that purpose, paying for any damage by valuation in the usual way; and also reserving power to take acres for any purpose other than agricultural purposes at three months' notice, paying for any crop or preparation for a crop which may be thereon, by valuation in the usual way; and also subject to the Ground Game Act of 1880, reserving to the said CHARLES HENRY DUKE OF RICHMOND AND GORDON, his heirs and assigns, all game, wild fowl, woodcocks and rabbits, with liberty for himself, his servants, and all other persons authorised by him, to hunt, course, shoot, kill, and carry away the same. To hold the same unto the said , his executors and administrators for the term of years from the 29th day of September, one thousand eight hundred and rendering therefor unto the said CHARLES HENRY DUKE OF RICHMOND AND GORDON, his heirs and assigns, the yearly rent of and rendering also the yearly over rent of fifty pounds for every acre of the pasture or meadow land which shall be broken up, and twenty pounds per acre for every acre of arable land which shall be cropped contrary to the covenants herein-after contained by the said his executors and administrators, and a proportionate rent for every less quantity than an acre so broken up or cropped.

And the said CHARLES HENRY DUKE OF RICHMOND AND GORDON and , do hereby mutually covenant and agree with each other:—

1.—That the term Landlord shall mean and include the said CHARLES HENRY DUKE OF RICHMOND AND GORDON, his heirs, executors and administrators, and the term Tenant shall mean and include the said , his executor, administrators, and assigns.

2.—That the said rent and any over rent which may accrue, shall be and be considered to be due and recoverable half-yearly, on the 25th day of March and the 29th day of September.

3.—The Tenant will pay all existing rates, taxes, and all outgoings at present assessed upon and payable in respect of the premises, except land tax, and landlord's income tax, and tithe rent charge, and half of such new and additional rates and taxes as may be hereafter assessed upon the premises.

4.—The Tenant will make the farmhouse the general residence of himself and family, will keep and leave at the end of the tenancy the dwelling-house, homestead, cottages and buildings in good repair, and tarred and painted (except repairs required in consequence of fire or other inevitable accident), will keep all gates, gate irons, stiles, posts, pales, rails, roads, ditches, drains and fences upon the premises in good repair, and will carry the materials necessary for all repairs (except for repairs required in consequence of fire, or other inevitable accident) from the distance of seven miles.

5.—The Tenant not to cut any coppice or underwood at less than eight years' growth, and not to cut without giving the Landlord one month's notice in writing. The Landlord to have power to mark to stand any saplings or tellers whether growing from stools or otherwise.

6.—The Tenant shall cutivate and manage the arable lands in a husbandlike manner, and shall keep the said lands clean and in good heart and condition, and during the last four years of the tenancy shall farm the lands upon the four-course system of husbandry, that is to say, one-fourth part in fallow or root crops, one-fourth part in Lent corn, one-fourth part in clover or good grass seeds, and the remaining fourth part in wheat.

7.—The Tenant will allow the Landlord, or succeeding Tenant, to sow in his Lent corn at the proper time in the last year of the tenancy, clean clover or other grass seeds, and will, at his own expense, properly harrow in and protect the same from injury.

8.—The Tenant shall on or before the 1st day of December in the last year of the tenancy give up to the Landlord or the succeeding Tenant one-fourth part of the arable lands of the said farm, which shall be in due course for a turnip lain, and permit and suffer the Landlord or succeeding Tenant to enter upon, and cultivate the same for a root crop. The Tenant will also give up to the Landlord or succeeding Tenant, on the 1st day of December in the last year of the term, proper and sufficient stabling and cart-house room, for horses and implements, for the preparation of the fallows, and also will provide from time to time sufficient hay and straw for the horses, being paid for the same at a consuming price.

9.—The Tenant will consume, by feeding stock on the farm during the last four years of the tenancy, all the hay, straw, haulm, and fodder, turnips, mangold wurzel, and other root and green crops, grown on the premises, except that he shall leave all the hay, straw, haulm, fodder and chaff grown or produced in the last year of the tenancy for the benefit of the Landlord, or his incoming tenant, upon being paid for the same at a feeding or consuming price by a valuation to be made in the usual way.

10.—All the manure and compost which shall arise, and be made, or brought upon the premises during the tenancy shall be used thereon, but the dung made in the last year of the tenancy shall be left in the yards for the use of the Landlord, or his incoming tenant, with power to either to either of them to use the same.

11.—The Tenant will year by year, and every year, weed and keep free from grass, and noxious weeds, all the corn, grain, pulse, root, and green crops, grown on the lands, and shall in every year between the months of October and March, trim and keep in good order all hedges and fences, and cleanse and scour the ditches and watercourses, and keep the drains free and open at the mouths.

12.—The Tenant will not mow any of the meadow land more than two years in succession without well manuring the same, nor mow the same meadow twice in any one year.

13.—The Tenant will not assign, underlet, except cottages, or part with the possession of the premises, or any part thereof, without the written consent of the Landlord.

14.—The Tenant, when required by the Landlord, will sign notices to warn off trespassers, and will permit his name to be used in any prosecution or action to be brought against such trespassers, the Landlord paying the expense of such action or prosecution.

15.—If the Tenant fails in the performance of any of the covenants herein on his part contained, or shall become bankrupt, or do any act whereby his effects upon the premises may be or become liable to be taken in execution or become vested in any other person, these presents shall become void, and the Landlord may re-enter as in his former estate, and saving always to the Landlord all rights of distress.

16.—The Landlord will find within seven miles of the premises, the sawn timber, bricks, tiles, slates,

Appendix A. X.

lime, tar, paint, and sand for such repairs, as the Tenant is hereby bound to execute, and in case of fire or injury by storm or tempest, the Landlord will rebuild at his own expense, including the cartage of materials, within a reasonable period.

17.—The Landlord will at the end of the tenancy pay or cause to be paid to the Tenant by valuation one half the cost of weeding the corn crops of the last year, for the hay, straw, haulm, and fodder at a feeding or consuming price, such valuation to be made by two valuers or their umpire in the usual way.

18.—The Landlord will pay the land tax and landlord's income tax and the tithe rent charge due and payable in respect of the demised premises, and half of such new and additional rates and taxes as may hereafter be assessed upon the premises.

19.—The tenancy of the cottages included in this demise may be determined by the Landlord giving one month's notice at any time to the Tenant for that purpose, and in such case a proportionate abatement of rent shall be made in respect thereof.

20.—The Tenant shall have the use of the barn and rickyards until the 25th day of March, after the expiration of the tenancy, for thrashing out his corn, rendering up the same in good repair; and shall thrash his corn of the last year at reasonable times, whereby he value of the fodder is not lessened and this proportion, that is to say, one third part, or thereabouts, to be thrashed between harvest and Christmas, one-third part between Christmas and the 1st day of February, the remainder on or before the 25th day of March.

21.—And it is hereby understood and agreed that either Landlord or Tenant shall express to the other, in writing, two years before the expiration of the tenancy, his desire that the same be renewed upon terms to be submitted by one to the other or others and mutually agreed on; and that if the said Landlord and Tenant shall fail to agree to terms for a renewal of the tenancy, then this demise, and the term hereby granted, shall cease, determine, and come to an end at the expiration of such term of 14 years.

In witness whereof the said parties have hereunto set their hands and seals the day and year first above written.

Signed, sealed, and delivered by the above-named CHARLES HENRY DUKE OF RICHMOND AND GORDON, in the presence of

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Appendix A. XI.

APPENDIX XI.

(Handed in by His Grace the Duke of Richmond and Gordon, K.G., &c. See Question 22,599.)

ARTICLES, REGULATIONS, and CONDITIONS, on which are let the Farms, Crofts, and Possessions on the estates in the Counties of Aberdeen, Banff, Elgin, and Inverness.

FIRST.—The Leases shall be for the periods, for payment of the rents, and in favour of the persons specified in the extended Leases, excluding heirs-portioners, and assignees, legal and voluntary, and all sub-tenants.

SECOND.—The Proprietor reserves all mines and minerals, including stones, clay, marl, gravel, sand and others, with power to search for, work, manufacture and carry away the same, and to build houses, sink pits and make roads, railroads, and water-courses for that purpose upon the lands let. The Proprietor also reserves right to resume possession at any time of any part of the lands, for planting and sites for cottages and gardens. The Proprietor also reserves the right to regulate the use of all mill-dams, mill-leads, water-courses, main-drains, and burns, and the water therein, and right of access thereto, and of making alterations thereon; as also right to conduct springs and streams of water from or through the farms and possessions, for the use of other farms and possessions, or of mills or machinery, or for other purposes, and also reserves the use of all roads. And the Tenant shall be entitled to compensation for all damages caused by any of the Landlord's operations aforesaid; and the Tenant shall be entitled to an abatement of rent, for all land taken for such purposes and for all land or pasture resumed, all as the same shall be fixed by arbiters or an oversman, as provided in Article Eighteenth of these regulations.

THIRD.—The Proprietor reserves power to divide and allocate commonties, to make excambions, and to straighten and alter marches with neighbouring proprietors, and also to adjust the boundaries, of his own Tenants' possessions; a corresponding increase or abatement of rent, to be fixed by arbitration, being made to the Tenant according as the value of his possession may be increased or diminished.

FOURTH.—Subject to the provisions of the Ground Game Act, 1880, the Proprietor reserves all game, including deer and wild fowl on the respective lands, and all fish, with full power and liberty to himself and others having his permission to hunt, shoot, kill, and take the same.

FIFTH.—The Proprietor reserves the wood of every description, whether natural or planted, upon the possessions, and the whole woods and plantations on the estate, and the pasture therein, except where such pasture is expressly specified in the leases as being let. The tenant shall not suffer any bestial or sheep belonging to him or grazing upon his farm, to trespass in any woods or plantations, and shall be liable to pay to the proprietor for each offence, half a merk, scots or sixpence and two-thirds of a penny sterling, for each sheep, and two shillings sterling for each beast found trespassing, which payments shall be fractional and not penal, and not subject to modification. The Tenant shall be accountable to the Proprietor for the preservation of all growing timber from injury and damage by himself, family, servants and bestial. The Proprietor reserves right to cart and carry away all timber, unmanufactured and manufactured, from woods and plantations through the Tenant's lands, the Tenant being indemnified for surface damage thereto. And it is a special condition that the Tenant shall not let any grass or pasture for grazing or wintering sheep during the period between the first day of November and the first day of April, without the written consent of the Proprietor, under a penalty of two shillings and sixpence of additional rent for each sheep so taken in to graze or winter, payable, said additional rent, at the first term of Martinmas or Whitsunday after the contravention occurs.

SIXTH.—The Proprietor reserves all peat mosses, and the Tenants are precluded from cutting or carrying away peats, feal, or divot, except with the written consent of the Proprietor.

SEVENTH.—The Proprietor reserves all cottages and gardens, and the Tenant shall not be entitled to let or to allow any person to occupy any cottage or garden except under special agreement.

EIGHTH.—The Tenant shall be bound to reside personally with his family on his farm during the currency of the Lease.

NINTH.—The Tenant shall be entitled to follow any system of cropping he may prefer, but shall be bound at all times to cultivate the farm according to the rules of good husbandry, and properly to work, clean and manure the same and keep it in good heart and condition, and he shall annually apply to the Lands the whole dung made on the farm, except the dung made from the crop of the year immediately preceding the Whitsunday of removal. The Tenant shall consume on the farm the whole straw, turnips, and other green crops grown upon the farm in the year immediately preceding the Whitsunday of removal, and shall deliver over the dung produced therefrom to the Landlord or incoming tenant at valuation, as after-mentioned. The Landlord reserves the right at any time, by giving written notice to the Tenant, to prohibit and prevent the Tenant, should he think proper, from selling any straw, potatoes, turnips, or other green crop. The Tenant, in a Lease for a term of years, shall, during the last four years of the Lease or tenancy, be bound to consume on the farm the whole of the straw turnips, and other green crops.

TENTH.—The outgoing Tenant shall, at his removal, have a claim for compensation from the Landlord or

incoming Tenant, for the unexhausted value of lime and the extraneous manures after specified, purchased and applied to the arable lands, and also for the unexhausted value of the extraneous feeding stuffs after specified, purchased and used in feeding sheep or cattle in houses or yards and on arable land, as follows, viz. :—

Lime.—For the net cash price or value of lime, exclusive of carriage and cartage, under deduction of two-tenths thereof for the first crop grown or reaped after the application, two-tenths for the second crop, two-tenths for the third crop, and one-tenth for each of the four subsequent crops.

Bones.—For the net cash price or value of inch undissolved bones, exclusive of cartage, under deduction of four-tenths thereof for the first crop grown or reaped after the application, two-tenths thereof for the second crop, two-tenths thereof for the third crop, and one-tenth thereof for each of the two subsequent crops. For the net cash price or value of undissolved mixed bones, bone dust, and bone meal, exclusive of cartage, under deduction of six-tenths thereof for the first crop grown or reaped after the application, three-tenths for the second crop, and one-tenth for the third crop.

Dissolved Bones.—For the net cash price or value, exclusive of cartage, of dissolved bones, under deduction of four-fifths thereof for the first crop grown or reaped after the application, and one-fifth for the second crop.

Feeding Stuffs.—First, for such part of the net cash price or value of linseed, cotton or rape cake consumed by cattle in houses or yards, in the last year of the tenancy, as may be fixed by the arbiters when valuing the dung at the outgoing Tenant's removal, to be the value added to the dung by the consumption of such cake. Second, for the net cash price or value, exclusive of cartage, of linseed, cotton, or rape cake consumed by cattle or sheep, along with grass or turnips, on the land, under deduction of five-sixths thereof for the first crop grown or reaped after the crop along with which the cake has been consumed, and one-sixth for the second crop. Grass, whether grazed or cut, shall at all times be counted as a crop; and the way-going crops to be taken at valuation by the Landlord or incoming Tenant, as hereinafter provided, shall be held to be crops grown and reaped by the outgoing Tenant. All claims for compensation, must be accompanied by vouchers for the purchases a written declaration by the Tenant, certifying the dates and manner of the application or consumption of the article, and in the case of manures and feeding stuffs, by a guaranteed analysis, from a respectable merchant, from whom the same were purchased, and in all cases be substantiated by proof of the application or consumption of the articles and of the quality and value thereof.

ELEVENTH.—The Tenant by entering into an agreement for Lease shall be held to have satisfied himself as to the extent and boundaries of his farm, and to have accepted the whole buildings and fences on the farm belonging to the Proprietor as sufficient and in complete repair, and to have become bound at his own expense to uphold such buildings and fences, including hedges and paling for the protection thereof in that state during the currency of the Lease, and to leave them in the same at its termination. And the Tenant shall be bound to repay to the Landlord one half of whatever cost or outlay, if any, which the Landlord in his discretion may think proper to incur in any year or years of the Lease, for cutting and cleaning and upholding and keeping in repair all hedges on and around his possession, and of paling where necessary for the protection of the same, which paling the Tenant shall be bound to cart free of expense. The Tenant shall also be bound to erect sufficient march fences with neighbouring Tenants on the estates if sanctioned by the Proprietor; and all fences round plantations shall be kept up at the mutual expense of proprietor and Tenant, and in the event of the Proprietor erecting or being required by adjoining Proprietors to erect march fences, the Tenant shall be bound to perform his Landlord's share of all cartages, and to repay to the Landlord whatever expenses he may incur in keeping such fences in proper repair, and shall pay to the Landlord interest at the rate of five pounds sterling per centum per annum upon the cost to the Landlord of erecting the same. The Landlord shall make over to the incoming Tenant any claim which he may have against the outgoing Tenant in respect of the said buildings, fences including hedges and paling not having been maintained and left in complete repair by the outgoing Tenant, in consideration of the obligation to receive and uphold the same in repair in terms hereof which the incoming tenant undertakes. But nothing herein contained shall be considered as relieving the outgoing tenant of his obligation to leave the said houses and fences, including hedges and paling, in complete repair. Further, the Landlord shall have power at all times to order an inspection of the whole of said houses, fences and paling, and to cause such repairs from time to time to be made as may be necessary, including the painting of all doors, windows, and outside woodwork, once at least in every three years, the Tenant being bound to repay the expense of the said work, and to hold the tradesmen's receipts sufficient vouchers for the outlay.

TWELFTH.—The outgoing Tenant at his removal shall have a claim against the Landlord or incoming Tenant for (*first*) the value as it may be ascertained by arbitration as aftermentioned of all buildings erected by him at his exclusive expense, with the written consent of, and in accordance with plans and specifications approved of by the Proprietor, provided the said buildings shall have been kept in complete repair and shall be in that state at the Tenant's removal; (*second*) the value to be ascertained as above of all buildings which may have been erected by the Tenant at his exclusive expense without the Proprietor's approval, and also the value of any materials of buildings which may be upon the farm at the Tenant's removal, and for which he has paid at his entry, should the Landlord or incoming Tenant elect to take such buildings or materials or any part thereof at valuation, failing which the Tenant shall be entitled to remove them, it being provided that the tenant shall not be entitled to attach new buildings to existing buildings without the written permission of the Landlord.

THIRTEENTH.—In the event of the Landlord agreeing to perform the drainage of any part of the lands, the Tenant shall perform, without payment, the cartage of all materials, and in respect of all drainage so executed by the proprietor the Tenant shall be bound to pay along with the rent, interest at the rate of five pounds sterling per centum per annum, on the amount expended by the Proprietor, which per-centage shall commence to run from the first term of Martinmas or Whitsunday after the drains are finished, to be charged as rent, and to be recoverable in the same manner.

FOURTEENTH.—The Tenant shall be bound and obliged to keep the whole drains, outlets thereof, sluices, ditches, water-courses, mill-dams, mill-leads and embankments thereof, upon the farm, and mill-dams, and mill-leads and embankments thereof upon other lands leading to and required for the use of the farm, at all times clear and in good working order, and in proper and sufficient repair, and regularly to scour and keep in good working order all march ditches with neighbouring Tenants and Proprietors, and the Proprietor shall have power to order the inspection of all the above and cause the same to be cleaned, scoured, and repaired from time to time as he may see necessary at the expense of the Tenant, who shall be bound to pay the same, and the workmen's receipts shall be sufficient vouchers for the outlay. The Tenant shall further be bound to have the whole weeds on every part of his farm, including road-sides, water-sides, and sides and corners of fields, including the land under the way-going corn crop, cut or pulled before the first day of August in each year, and failing his doing so, the Landlord shall be entitled to employ workmen to cut or pull the same, and to charge the Tenant with the expenses of the work, which the Tenant shall be bound to pay, holding the workmen's receipts sufficient vouchers for the outlay.

FIFTEENTH.—The outgoing Tenant shall be bound at the first day of May preceding the Whitsunday of removal to deliver over to the Proprietor or incoming Tenant the fallow or green crop lot which shall have been once ploughed, and also the garden, and shall be bound at the fifteenth day of May before removal to deliver over to the Proprietor or incoming Tenant at least one half of the whole dung made upon the farm from the crop of the year immediately preceding the Whitsunday of removal. The outgoing Tenant shall farther be bound at the Whitsunday of removal to deliver over to the Proprietor or incoming Tenant the whole grass on the farm, together with the remainder of the dung and the straw. The outgoing tenant shall be

Appendix A. XI.

entitled to receive payment from the Proprietor or incoming Tenant at the Whitsunday term of removal of (*first*) the fair rent of the fallow land or green crop lot with the value of the labour bestowed on it; (*second*) the value of all sown grass which the arbiters or oversman may determine to be part of the arable land of the farm; (*third*) the value of the dung and straw, but the straw shall only be paid for in so far as it does not exceed a reasonable quantity for summer use beyond which the outgoing Tenant shall only be entitled to the value thereof as manure; and the whole of the said valuations shall be ascertained and fixed by arbitration as hereinafter mentioned. The outgoing Tenant shall also be bound to sell to the Proprietor or incoming Tenant the whole of the last crop of corn and straw which the Proprietor or incoming Tenant shall be bound to take at valuation, the quantity of grain to be estimated on the ground, and the sum to be allowed the incoming Tenant for harvesting, stacking, threshing, dressing, and carting to market the corn thereof, to be at the same time fixed all by arbitration at the time the crop is ready for cutting, which time shall be fixed by the arbiters or oversman. The price of the said corn and straw shall also be fixed and determined by arbitration immediately after the fiars prices of the County are struck, and shall be payable one half as nearly as may be computed at the term of Martinmas immediately after the crop is reaped, and the balance ten days after the fiars prices of the County are struck. And the Landlord and incoming Tenant shall have liberty to sow grass seeds in the shift which has the previous year been in green crop or fallow, at any time within eight days after the outgoing Tenant shall have sown corn therein, and the outgoing Tenant shall be bound to give the Landlord or incoming Tenant timeous notice of the proper time for sowing such grass seeds, and shall be bound to harrow in the same within three days after sowing, without charge. The Landlord shall be entitled to exact payment to himself from the incoming Tenant, and the incoming Tenant shall be bound to make payment to the Landlord of the amounts of all the aforesaid valuations of crop, grass, dung, straw, rent and labour of fallow or green crop lot, compensations for unexhausted manures, lime, and feeding stuffs, and valuations, if any, of buildings, at the respective terms and times at which the same are hereby declared payable. It is a special condition that in the event of the away-going corn crops exceeding in extent one half of the arable land on the farm, a deduction shall be made from the total valuations of the away-going crops corresponding to the excess in extent above the said one half, and for such excess the outgoing Tenant shall only be entitled to the value of the seed and the labour bestowed upon it. It is also a special condition that in the event of the shift for fallow to be given over to the incoming Tenant at the First day of May preceding the Whitsunday of removal being less than one-third or more than one-half of the extent of the land in corn crop, the Landlord or incoming Tenant shall be entitled to deduct from the aforesaid valuations a sum equal to three times the average yearly rent per acre of the arable land of the farm for every acre of such excess or deficiency on account of the loss and inconvenience he may suffer thereby. The outgoing Tenant shall not be entitled to plant potatoes in the last year of the tenancy and shall not be entitled to payment therefore if planted, or to remove them. In settling for the valuations and compensations with the outgoing Tenant, the Landlord shall be entitled to retain the amount of any arrears of rent which the outgoing Tenant may be due, or of any rent to become due under the outgoing Tenant's lease, as also the amount of any other claim which the Landlord may have against the outgoing Tenant.

Sixteenth.—The Tenant shall be bound not to burn any heather or muir on any part of the property, either by himself, his family, or servants, without the Landlord's written permission. And it is hereby declared that for every acre of muir burned without the consent of the Landlord or his factor, in any manner or by any person whatsoever, on any part of the muir ground or pasture occupied by the Tenant, an additional yearly rent at the rate of two pounds sterling for fifty acres shall be paid by the Tenant to the Landlord during the remainder of the lease in respect of the additional value to the Tenant of the muir so burned, and that over and above the rent stipulated in the lease, which additional rent shall commence and be payable at the first term of Martinmas after such muir burning, and shall be recoverable in the same manner as the original rent, and in the case of the said muir burning taking place on any common pasture, the Tenants using the common shall pay the said additional rent amongst them in proportion to the rents of their respective farms. Written permission as aforesaid will be given to burn to such extent, not exceeding one-fifteenth in any one year, as the Landlord shall think reasonable, subject to such regulations as may appear to him to be expedient for the effectual control of the fire and the proper supervision of the work.

Seventeenth.—The Tenant shall be bound in the last year of the lease to flit and remove himself, his family, servants and dependants, with their goods and gear, forth and from his farm or possession, as follows, viz., From the fallow land or land intended for green crop and the garden, on the First day of May; from the houses, natural pasture and grass land, on the Twenty-sixth day of May; and from the remainder of the land at the separation of the corn crop from the ground, and that without any previous warning or process of removing to that effect.

Eighteenth.—All questions as to the amount of compensation, damages, and valuations shall be determined by two arbiters, one to be named by each party, or an oversman, to be named by said arbiters, and whom they shall be bound to appoint before proceeding with the reference, to decide in the event of their differing in opinion, and the expense of such arbitrations and valuations shall be paid by the parties equally.

Nineteenth.—It is expressly stipulated that if a Tenant become notour bankrupt or be sequestrated, or shall convey his effects or part thereof in trust for behoof of Creditors, although not rendered notour bankrupt, the tack shall *ipso facto* immediately become null, and expire, and the farm revert to the Landlord without any declarator or other process of law being necessary to that effect. And, further, if the Tenant shall allow at any time one half-year's rent to remain unpaid when another half-year's rent shall become due, then and in that event it shall be optional to the Landlord to terminate the Lease, and in the event of his exercising such option, either immediately or at any term of Martinmas or Whitsunday thereafter, the Lease shall, as at the date of such exercise of his option, become null, and expire, and the farm revert to the Proprietor without any declarator or process of law to that effect; reserving the Proprietor's right to all rents due and to become due under the Lease, and all other claims and rights competent to the Landlord.

Twentieth.—It is understood with regard to Leases for more than one year, that the terms for the renewal of the Lease shall be adjusted two years before the expiry of the current Lease, and in the event of the Landlord and Tenant not coming to an agreement for a new Lease two years before the expiry of the current Lease, then, and in that case, such current Lease shall cease, determine and come to an end at the term of expiry therein mentioned, and the Tenant shall be bound to remove from the farm and lands without further notice, as specified in Article Seventeenth hereof. In cases where there are no Leases or Leases for one year only, one year's notice of removal shall be given by either party.

Twenty-First.—And I, The Most Noble Charles Henry Gordon Lennox, Duke of Richmond, Gordon and Lennox, consent to the registration hereof, for preservation and execution. In witness whereof these presents, written upon this and the seven preceding pages, by James Pillans Russell, Clerk to John Clerk Brodie and Sons, of Edinburgh, Writers to the Signet, are subscribed by me at Goodwood, Chichester, on the Twenty-second day of January, in the year Eighteen Hundred and Eighty-three, before these witnesses, Charles Henry Gordon Lennox, Earl of March, Member of Parliament for West Sussex, and Lord Algernon Gordon Lennox, Lieutenant-Colonel Grenadier Guards. (Signed) Richmond and Gordon. March, Witness. Algernon G. Lennox, Witness.

(Recorded in the Books of Council and Session, 24th January, 1883.)

APPENDIX XII.

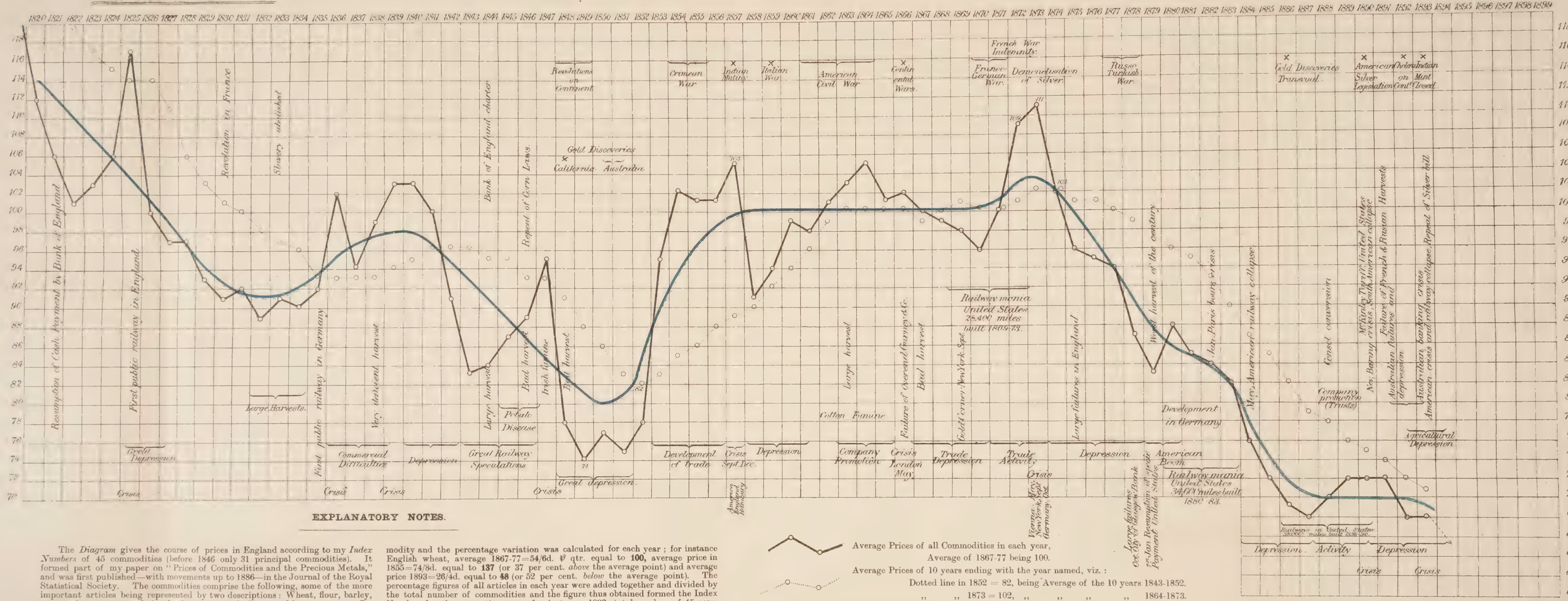
Handed in by Professor Foxwell. (See Q. 23557.)

COURSE OF AVERAGE PRICES OF GENERAL COMMODITIES IN ENGLAND.

(AVERAGE OF 1867-1877 BEING 100.)

COMPILED BY AUGUSTUS SAUERBECK. F.S.S.

To face p. 638


1820 1821 1822 1823 1824 1825 1826 1827 1828 1829 1830 1831 1832 1833 1834 1835 1836 1837 1838 1839 1840 1841 1842 1843 1844 1845 1846 1847 1848 1849 1850 1851 1852 1853 1854 1855 1856 1857 1858 1859 1860 1861 1862 1863 1864 1865 1866 1867 1868 1869 1870 1871 1872 1873 1874 1875 1876 1877 1878 1879 1880 1881 1882 1883 1884 1885 1886 1887 1888 1889 1890 1891 1892 1893 1894 1895 1896 1897 1898 1899
Resumption of Cash Payment by Bank of England
First public railway in England
Revolution in France
Slavery abolished
Large Harvests.
Tipell Depression
Crisis
First public railway in Germany
Very deficient harvest
Commercial Difficulties
Crisis
Depression
Crisis
Bank of England charter
Repeal of Corn Laws.
Large harvest
Bad harvest
Irish famine
Bad harvest
Great Railway Speculations
Crisis
Potato Disease
Gold Discoveries
California Australia
Revolutions on Continent
Great depression.
Crimean War
Indian Mutiny
Italian War
American Civil War
Continental Wars.
Development of Trade
Crisis Sept-Dec.
Depression
Bank of England Insolvency
French War Indemnity
France-German War.
Demonetisation of Silver
Company Promotion
Crisis London May
Large harvest
Cotton Famine
Failure of Overend Gurney &c.
Bad harvest
Gold Corner New York Sept.
Trade Depression
Railway mania United States 25,400 miles built 1869-73.
Trade Activity
Crisis Vienna & New York Oct.
Large failures in England
Depression
Large failures &c. City of Glasgow Bank
1873 San Remuption of Specie Payment United States
American Boom
Railway mania United States 34,600 miles built 1880-83.
Wheat harvest of the century
Development in Germany
Jan. Paris bank crisis
Mex. American railway collapse
Gold Discoveries Transvaal
Consol conversion
Company promotion (Trusts)
Russo Turkish War.
American Silver Legislation
Indian Orders on Mint Closed
McKinley Tariff United States
Nov. Baring crisis South American collapse
Australian Bankers' land depression
Failure of French & Preston Harvests
Australian banking crisis
American crisis and railway collapse. Repeal of Silver bill
Agricultural Depression
Railways in United States 1886-90
Depression. Activity. Depression
Crisis
Crisis
118 116 114 112 110 108 106 104 102 100 98 96 94 92 90 88 86 84 82 80 78 76 74 72 70 68 66 64 62 60

EXPLANATORY NOTES.

The *Diagram* gives the course of prices in England according to my *Index Numbers* of 45 commodities (before 1846 only 31 principal commodities). It formed part of my paper on "Prices of Commodities and the Precious Metals," and was first published—with movements up to 1886—in the Journal of the Royal Statistical Society. The commodities comprise the following, some of the more important articles being represented by two descriptions: Wheat, flour, barley, oats, maize, potatoes and rice, beef, mutton, pork, bacon and butter, sugar, coffee and tea, iron, copper, tin, lead and coals, cotton, flax, hemp, jute, wool and silk, hides, leather, tallow, palm-oil, olive-oil, linseed-oil, petroleum, soda, nitrate, indigo and timber.

The *Index Numbers* have been constructed in the following manner: The average prices of the 11 years 1867-77—which in the aggregate are equivalent to the average of the 25 years 1853-77—were called 100 in the case of each commodity and the percentage variation was calculated for each year; for instance English wheat, average 1867-77=54/6d. ₱ qtr. equal to **100**, average price in 1855=74/8d. equal to **137** (or 37 per cent. *above* the average point) and average price 1893=26/4d. equal to **48** (or 52 per cent. *below* the average point). The percentage figures of all articles in each year were added together and divided by the total number of commodities and the figure thus obtained formed the Index Number for the respective year, for instance, 1893, total numbers of 45 commodities=3061, Index Number **68** or 32 per cent. *below* the average point. The Index Number is therefore the arithmetical mean, all articles being considered as of equal value. By the test of quantities—according to the importance of each article—the result was found to be perfectly reliable.

AUGUSTUS SAUERBECK, F.S.S.,
3, MOORGATE STREET BUILDINGS, LONDON.

Average Prices of all Commodities in each year,
Average of 1867-77 being 100.

Average Prices of 10 years ending with the year named, viz.:
Dotted line in 1852 = 82, being Average of the 10 years 1843-1852.
,, ,, 1873 = 102, ,, ,, ,, ,, 1864-1873.
,, ,, 1893 = 71, ,, ,, ,, ,, 1884-1893.

This dotted line gives the best picture of the gradual movement of the average prices of whole periods as the fluctuations from year to year are obliterated.

[As the dots represent the average of the 10 years *preceding* any given date, the resulting curve is projected somewhat beyond its true position.

Difficulties of this kind are best avoided when the average curve is sketched by a careful freehand draft. Such a draft, made by Mr. Sauerbeck, is here shown in the blue line on the chart. H.S.F]

Wyman & Sons, Lt. Lith, 63, Carter Lane, Doctors' Commons. 6316. 8.94.

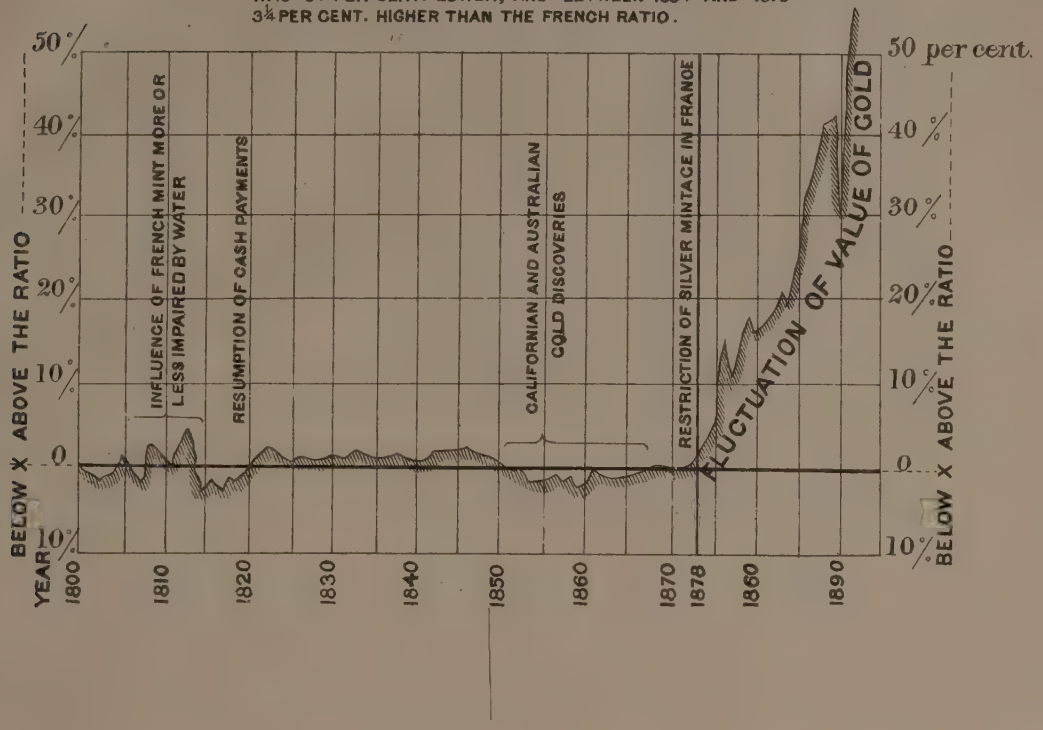
APPENDIX XIII.

Handed in by Professor Foxwill. (See Q. 23845.)

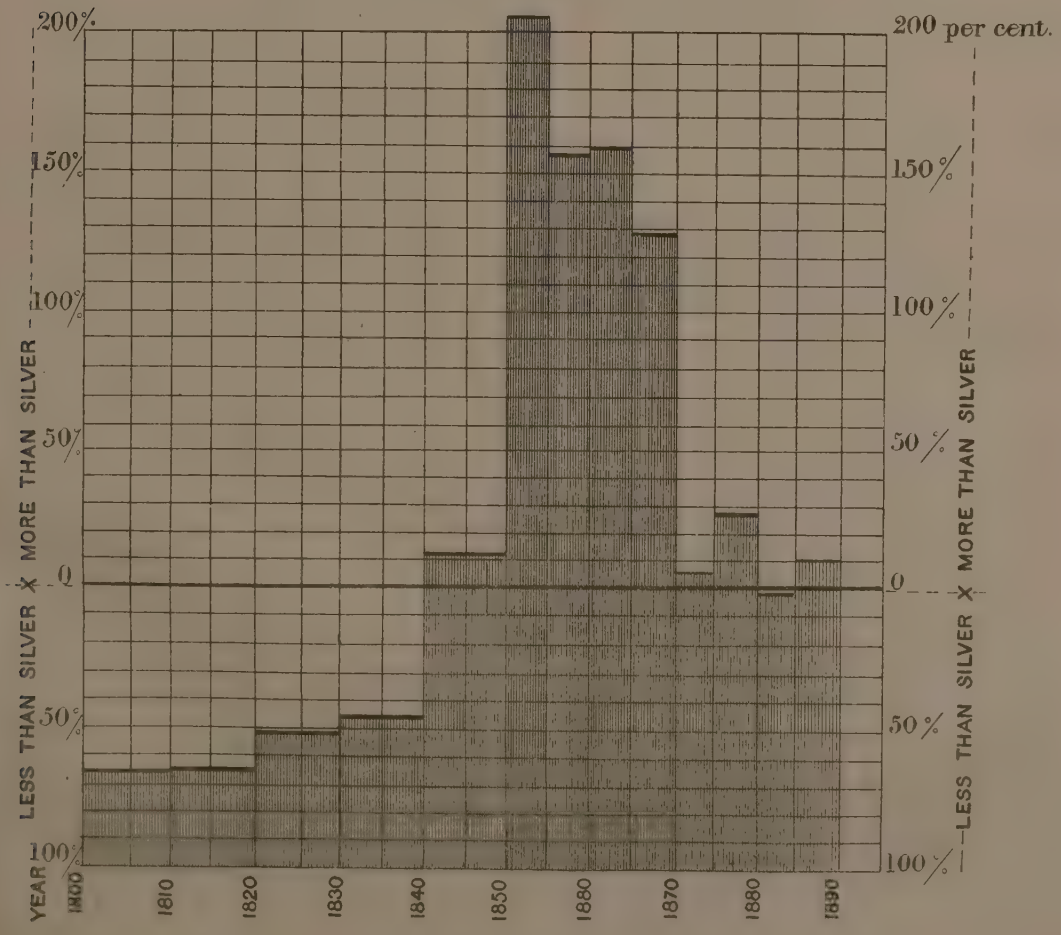
DIAGRAMS PREPARED BY SIR GUILFORD MOLESWORTH FOR THE BRUSSELS MONETARY CONFERENCE.

No. 1. ANNUAL AVERAGE FLUCTUATION IN THE VALUE OF GOLD MEASURED BY SILVER PER CENT. ABOVE OR BELOW THE FRENCH MINT RATIO OF 15½ TO 1.

NOTE. BETWEEN 1800 AND 1834 THE UNITED STATES MINT RATIO WAS 3¾ PER CENT. LOWER, AND BETWEEN 1834 AND 1873 3¾ PER CENT. HIGHER THAN THE FRENCH RATIO.



No. 2. RELATIVE PRODUCTION OF GOLD (IN VALUE AT THE RATIO OF 15½ TO 1) MEASURED BY THE PRODUCTION OF SILVER.



APPENDIX XIV.

Copy of Lease on the Earl of Strathmore's Estate.

(Handed in by Mr. A. Ralston. See Question 24,976.)

IT IS CONTRACTED AND AGREED between the Right Honourable Claude Bowes Lyon, Earl of Strathmore and Kinghorne, Heritable Proprietor of the farm and lands after mentioned, on the one part, and

on the other part, in manner following:—That is to say, the said Earl (herein-after called the Proprietor), in consideration of the rent and other prestations after written, and under the reservations and conditions after expressed, hereby lets to the said (herein-after called the Tenant) and his heirs, excluding heirs-portioners, the eldest heir-female succeeding without division; and also excluding, except with the previous written consent of the Proprietor, sub-tenants, and assignees legal or voluntary, and creditors or managers for creditors in any way or shape, but with power to the Tenant to destine this lease to any of his children, or to his widow, all and whole

Subjects included in lease.

Duration.

And that for the period of years from and after the term of

Reservations—

(1.) Minerals.

Reserving always to the Proprietor the whole coal, lime, marle, stone, clay, slate, sand, and other minerals and metals within the farm, with power to search for, work, win, manufacture, and carry away, or to let, sell, or dispose of the same, and to make all pits, mines, quarries, roads, aqueducts, buildings, and works necessary therefor: as also reserving to the Proprietor power to resume any part or parts of the farm, not exceeding acres imperial measure in whole, he being at the expense of making and upholding fences around all ground so resumed that may be planted or otherwise appropriated so as to render fences necessary; as also to straighten or alter marches, and excamb ground with any neighbouring proprietor or tenant, and to make, alter, and use, or to shut up roads upon the farm;—the yearly value of any ground that may be added to the farm by excambions or alterations of marches being to be added to the rent herein-after stipulated, and the value, or damage done to the yearly value, of any ground that may be taken from the farm, or damaged by any of the operations before mentioned, being to be deducted from the said rent, as such values and damages shall be ascertained by two arbiters, one to be chosen by each party, or by an oversman to be named by the arbiters in case of their differing in opinion, declaring always that it shall not be competent to the Tenant to make any claim for damages alleged to have been done in any year of this lease whereof the rent has been paid, and unconditionally discharged: reserving also to the Proprietor all trees on the farm, with power to prune, cut, and remove them, and to plant others in their place, or in the hedges and marches, without payment of compensation; and also all water in streams or springs rising in or flowing through the farm, subject to the proper use thereof by the Tenant for the purposes of the farm only; and also the game on the farm, and the fish in the rivers and streams, with the exclusive privilege to the Proprietor, and such persons as may be authorised by him, of shooting, sporting, and fishing, subject always to such rights as may be competent to the Tenant under "The Ground Game Act, 1880," as incident to and inseparable from his occupation of the farm; and it is hereby agreed, with reference to the terms of "The Game Laws Amendment (Scotland) Act, 1877," that the amount of annual damage done to the Tenant's crops by game (other than ground game as defined by the first-mentioned Act), for which no compensation shall be due, shall be the sum of , and that any claim of damage beyond that sum arising under the said Act shall be referred to arbitration, and that no compensation shall, in any case, be due for damages done by ground game; which tack, with and under the reservations and conditions before and after written, the Proprietor binds himself to warrant at all hands: For which causes and on the other part, the said binds and obliges himself and his heirs, executors, and successors whomsoever, to pay to the said Earl of Strathmore and Kinghorne and his successors, and to his or their assignees, or to their factor for the time, at Glamis Castle, or such other place as they may appoint, the yearly rent of at two terms in the year Candlemas and Lammas by equal portions, beginning the first term's payment at Candlemas and the second at Lammas following, in full of the rent for crop and the first year's possession under this lease, and so forth half-yearly during this lease, but declaring that the rent of the last crop shall be payable at the term of Martinmas after reaping that crop: As also to pay along with the rent at Candlemas yearly the premiums on a policy or policies of insurance against fire to be effected by the Proprietor in his own name on the houses, crop, and stocking on the farm, the amount of insurance not exceeding on the houses, nor a year's rent on the crop and stocking; with a fifth part more of each term's payment of the said rent and premiums of insurance of penalty in case of failure, and interest at the rate of five per cent. per annum from and after each term of payment during the not-payment: As also to perform his share of carriages of all materials necessary for rebuilding or repairing the church and churchyard dyke, manse, and offices, of the parish of or, in the option of the Proprietor, to pay a proportion of the expense of performing such carriages corresponding to the rent of the farm: Further, the Tenant obliges himself, during the lease, to reside upon the farm, and to keep thereon a sufficient stocking of every kind, which shall be *bonâ fide* his property, and to crop and cultivate the lands according to the rules of good husbandry; and, in particular, without prejudice to the foregoing generality, to follow the rotation and mode of cropping after specified, viz.:—

Appendix A. XIV.

(1.) Rent.

(2.) Insurance premiums.

(3.) Carriages.

(4.) Residence on farm, stocking, cropping, &c.

Note.—The cropping clause to be adjusted with each Tenant on his entry. If a Tenant deems it expedient to alter the course of cropping during the currency of his lease, he may make written application for the Proprietor's permission, stating change desired.

(2.) Power to resume land.

(3.) Power to straighten marches or excamb.

(4.) Trees.

(5.) Streams and springs.

(6.) Game.

Warrandice clause.

Tenant's obligations.

And in case the Tenant shall, without the Proprietor's approval, crop or manage the farm in a manner contrary to any of the preceding regulations, whereby the land or any part thereof shall become fouled or deteriorated, he binds himself to pay to the Proprietor such sum in name of damages for the ground so fouled or deteriorated as shall be ascertained by two arbiters or an oversman to be chosen as aforesaid, and that along with the rent before stipulated in the year or years in which such damage shall arise, without prejudice nevertheless to the Proprietor's right to put a stop to irregular cropping or mismanagement: And the Tenant further binds himself not to sell, remove, or dispose of any fodder, or turnips, or other manure-producing article raised upon the farm,—excepting only potatoes and hay, the produce of not more than acres in any year,—but to consume the same upon the farm, and to apply annually to the lands the whole manure made on the farm: And it is hereby agreed, with respect to unexhausted manures, and to feeding stuffs consumed upon the farm, that the Tenant or his executors shall, at the expiry or sooner termination of the lease, receive compensation for the same from the Proprietor or incoming Tenant, in terms of the schedule annexed and signed as relative hereto, —such compensation to be ascertained, in case the parties fail to agree about it, by two arbiters or an oversman to be chosen as aforesaid: And the Tenant binds himself, in the last year of this lease—(1.) To allow the Proprietor or incoming tenant to sow grass seeds in such fields as fall to be sown out in that year, provided they do so within five lawful days after written notice by the Tenant that the ground is ready for being sown, the Tenant being bound to harrow and roll in the said seeds, and to protect the grass of said seeds from being pastured by cattle or sheep or otherwise injured, without compensation; (2.) To apply the whole dung made before turnip seed-time to the green crop of that year, and to leave the whole dung made after sowing the last green crop, and also the straw on the farm, to the Proprietor or incoming Tenant (who shall be bound to take the same) at such valuation as shall be put thereon by two arbiters, one to be chosen by

Fodder, turnips, &c. to be consumed on farm.

Provisions for last year of lease—

(1.) Compensation for unexhausted manures and feeding stuffs.

(2.) Sowing of grass seeds by proprietor or incoming tenant.

(3.) Disposal of dung made before and after turnip seed time.

Appendix A. XIV.

the Proprietor or incoming Tenant and the other by the Tenant, or by an oversman to be named by the arbiters in case of their differing, declaring always that the amount of such compensation shall not exceed ten per cent. of the rent of the farm, and that the dung shall be valued according to the value in the district of ordinary farmyard manure, without reference to any increased value which it may have by reason of feeding stuffs consumed by the Tenant's cattle; (3.) To leave the whole waygoing fodder and grain crop, and also the waygoing crop of turnips, to the Proprietor or incoming Tenant (who shall be bound to take the same), —the grain crop at the fiars prices of the county of Forfar for that crop, and the fodder and turnip crop at such valuation as shall be put thereon by arbiters or an oversman to be chosen as aforesaid; and the quantity and quality of the grain and the value of the fodder shall be ascertained by arbiters or an oversman to be chosen as aforesaid, within ten days before the crop is ready for harvesting, and one-half of the value, as nearly as may be, as the said arbiters or oversman shall fix, shall be paid at Martinmas after reaping, and the remainder when the fiars of the crop shall have been struck; and the value of the turnip crop shall be ascertained on or before the tenth day of October; declaring that the Proprietor or incoming Tenant shall, in accounting with the Tenant, be entitled to such allowance for cutting and stooking the grain crop as shall be fixed by the said arbiters or oversman; (4.) To allow the Proprietor or incoming Tenant to occupy as many houses on the farm as he may require for lodging his servants and horses while leading in the waygoing crop, or while ploughing for the ensuing crop which he shall have right to do, in the case of each field, after the crop of that field has been led in;

(4.) Waygoing crops to be left to Proprietor or incoming tenant.

(5.) Houses for servants and horses to be at disposal of Proprietor or incoming tenant.

NOTE.—At the commencement of the lease, the Proprietor and Tenant to arrange as to the new buildings, fences, and drains, if any, required for the farm. The Proprietor will execute the improvement so arranged for without charging interest,—the Tenant performing the carriage of materials free of charge.

Houses, dykes, fences, &c. on farm.

the Tenant hereby accepts the whole houses, dykes, fences, ditches, and drains on the farm, as being in good tenantable condition and sufficient for the farm, declaring that in case, during the currency of the lease, he shall require any additional houses to be erected, or fencing or draining to be executed, the Proprietor shall erect or execute the same, if and so far as he approves of them, the Tenant performing all carriages of materials free of charge, and paying, as he hereby binds himself to pay, interest on the Proprietor's expenditure, at the rate of five per cent. per annum during the remainder of the lease, and that half-yearly along with his rent; or, in the case of draining, the Tenant may, in his option, elect to open and fill the drains at his own expense, at the Proprietor's sight and to his satisfaction, the Proprietor, in that case, supplying him with tiles for the same, free of charge, at the tile-work; and the Tenant binds himself during the lease to uphold, and at his removal to leave, the whole houses, dykes, gates, and fences, made or to be made on the farm, in a proper habitable and fencible state, and always to keep, and at his removal to leave, all the ditches and drains, made or to be made, properly scoured and in good order; and in case of the Tenant neglecting to fulfil these obligations, the Proprietor shall have power to order the necessary repairs to be executed at the Tenant's expense, and the Tenant binds himself to pay the Proprietor the cost of such repairs, as the same shall be ascertained by the tradesmen's receipts: And it is further provided and declared that, in the event of either party failing to name an arbiter for any of the purposes herein-before provided, it shall be lawful for the sheriff of the county on the application of either party, to name two arbiters, who shall have power to appoint an oversman, and the award of the arbiters or oversman so named shall have the same force and efficacy as if the arbiters so named had been nominated by the parties respectively, and as if the oversman had been named by arbiters nominated by the parties; and both parties bind themselves to fulfil such award accordingly: And in case the Tenant shall, at any time during the lease, become bankrupt, or be sequestrated, or voluntarily divest himself of his property by trust-deed for behoof of creditors or otherwise, or allow one half-year's rent to remain unpaid when the first half-yearly payment of the next year's rent shall have become due, or fail to reside on the farm, then, and in any of these events, it shall be in the power of the Proprietor to put an end to this lease, and to resume possession of the farm without any declarator or process of law for that effect; and in case, on the Tenant's death during the currency of the lease, there shall be an arrear exceeding one-half year's rent, it shall be in the option of the Proprietor to declare that his heir shall not take up the lease, but that the same shall come to an end at the first term of Martinmas thereafter: And further, the Tenant binds himself to remove himself and his family, servants, goods, and effects, from the farm at the expiry of the lease without any warning or process of removing; and failing his doing so, then he binds himself to pay the sum of as a pactional and not a penal rent for each year he shall possess the farm or any part thereof after the expiry hereof, and proportionally for any part of a year, but without prejudice to the Proprietor's right to insist in a summary process of removing, as accords of law; and both parties bind themselves to implement their respective parts of the premises to each other, under the penalty of to be paid by the party failing to the party observing, or willing to observe his part thereof, over and above performance; declaring that the obligations herein before undertaken by or imposed upon the parties hereto under the descriptions of "the Proprietor" and "the Tenant," shall be held to be applicable to, and binding upon, the successors of the said parties respectively as Proprietors and Tenants for the time of the farm hereby let, and all other persons who are, or may be, legally bound as representing the said parties respectively for fulfilment of the said obligations; and in like manner the stipulations and obligations in favour of the said parties under the same descriptions shall be available to, and may be enforced by, the successors and representatives of the said parties respectively: And they consent to registration hereof for preservation and execution: IN WITNESS WHEREOF,

Tenant's obligation to remove at end of lease.

Proprietor and Tenant's obligations binding on their successors.

Sheriff may, in certain case, name arbiters.

Optional irritancy in case of bankruptcy, &c.

Schedule referred to in foregoing Lease (*see Question* 25,013).

1. *Lime applied to Land.*—Eight-tenths of cost after first crop has been taken; five-tenths after second crop; three-tenths after third crop; and one-tenth after fourth crop.
2. *Crushed Bones, Bone Dust, Police Manure, and other Manures of equivalent value.*—One-half of cost where one crop has been taken, and one-fourth where two crops have been taken.
3. *Dissolved Bones, Bone Phosphate, and Guano.*—One-fourth after first crop has been taken.
4. *Feeding Stuffs.*—For linseed, cotton cakes, or other substances of equal manurial value which have been consumed on the farm by cattle or sheep during the last year of the lease, one-third of the value shall be paid, provided the quantity shall not exceed the average of the preceding three years.

NOTES.—(1.) Vouchers in all cases to be produced, and also an analysis by a competent analytical chemist if required.

(2.) In cases of arbitration, the arbiters to be entitled, in fixing the compensation, to make such deductions as they think fit, if, in their opinion, the manurial value of the substances has been reduced through the Tenant's fault or negligence; or if, through his fault or negligence, the land is in such a state of cultivation as to prevent the substances having their proper beneficial effect on the soil.

(3.) No allowance to be made to the Tenant for the cartage of lime, manure, or feeding stuffs, or for the cost of applying the manure to the land.

(4.) No compensation will be allowed for nitrate of soda, sulphate of ammonia, or other such stimulating manures, these being held to be exhausted in the year they are applied.

APPENDIX XV.

(*Handed in by Mr. H. H. Scott. See Question* 30,055.)

The Report of a Committee composed of Land Agents and Farmers of the "Newcastle Farmers' Club," appointed for the purpose of framing a Basis on which to estimate Compensation as provided in the "Agricultural Holdings Act, 1883.

It is provided for in the Act that a tenant at the termination of his tenancy shall obtain from the landlord such compensation "as fairly represents the value of the improvement to an incoming tenant."

It appears to your Committee that, fixing a scale naming a hard-and-fast value for every "improvement" named in the Act, whether well or ill executed, whether in good or bad repair, and reducing the price by a certain per-centage for each year used, would in effect and incidence be unjust, resulting in the good farmer getting too little and the bad farmer too much. For instance, in regard to under drainage, it cannot be said that if badly planned and executed and kept in bad repair, it would be of the same value to the landlord or incoming tenant as if it had been efficiently made and kept in good repair; or that the application of purchased manures, or the consumption of purchased foods would leave the same manurial value in a holding full of weeds, badly cultivated and managed, as on that clean, thoroughly cultivated, and well managed. Therefore, to obviate as much as possible the unequal operation of the Act, your Committee propose a basis on which "improvements" may be estimated, having a certain degree of elasticity; so that arbiters may have sufficient scope to arrive at decisions, which will not only tend to encourage tenants permanently to improve their holdings, but also prevent the danger of landlords or incoming tenants having to pay for that which has been so badly made or treated that it is exhausted, and little more left in the shape of an improvement than a name.

Your Committee suggest that, in regard to each "improvement" (with one exception), there should be compensation of three degrees, viz., 1st class, 2nd class, and 3rd class. The 1st class to mean that when in regard to an "improvement" the effects were very beneficial, from the management generally having been good and judicious; 2nd class, when these conditions had not been so meritorious; and 3rd class, when the conditions had been bad.

As the improvements scheduled in Part I. of the schedule to the Act require the consent of the landlord, and are therefore likely to be a matter of arrangement between landlord and tenant as heretofore, your Committee do not attempt to lay down any basis on which to estimate their value.

Part II. of the Schedule to the Act.

1. Under drainage:
   1st class—Estimated to last 35 years as a maximum.
   2nd class ,, 25 ,,
   3rd class ,, 15 ,,
   Exhaustion to be estimated in 1st class at $\frac{1}{35}$ part of first cost in each year since made, 2nd class, at $\frac{1}{25}$, and 3rd class at $\frac{1}{15}$ in each year.
2. Surface drains:
   That the outgoing tenant be repaid the reasonable first cost of open drains, minus the cost of putting the drains into efficient working order, provided the said drains have been executed in proper manner and method.

Part III. of Schedule to the Act.

3. Boning of land with undissolved bones:

	Arable land and hay meadow.	Pasture land.
1st class—Exhaustion each crop	$\frac{1}{5}$	$\frac{1}{10}$
2nd class ,,	$\frac{1}{4}$	$\frac{1}{8}$
3rd class ,,	$\frac{1}{3}$	$\frac{1}{6}$

4. Liming of land (magnesian limestone and gas lime excepted):

	Arable land and hay meadow.	Pasture.
1st class—Exhaustion each crop	$\frac{1}{10}$	$\frac{1}{20}$
2nd class ,,	$\frac{1}{8}$	$\frac{1}{16}$
3rd class ,,	$\frac{1}{6}$	$\frac{1}{12}$

5. Dissolved bones and phosphates, phosphatic guanos, ground phosphates, kainit and fish guano:

	On arable land and hay meadow.	Pasture.
1st class—Exhaustion each crop	$\frac{1}{3}$	$\frac{1}{8}$
2nd class ,,	$\frac{1}{2}$	$\frac{1}{4}$
3rd class ,,	all	$\frac{1}{2}$

6. Ammoniacal guanos:

	On arable land and hay meadow.	Pasture.
1st class—Exhaustion each crop	$\frac{1}{4}$	$\frac{1}{8}$
2nd class ,,	$\frac{1}{2}$	$\frac{1}{4}$
3rd class ,,	all	$\frac{1}{2}$

7. Sulphate of ammonia and nitrate of soda. That no compensation be paid for these manures when applied to arable land.
8. When applied to grass land:
   1st class—Exhaustion each crop - $\frac{1}{3}$
   2nd class ,, - $\frac{1}{2}$
   3rd class ,, - all
9. Farmyard manure:

	On arable land and hay meadow.	Pasture.
1st class—Exhaustion each crop	$\frac{1}{5}$	$\frac{1}{9}$
2nd class ,,	$\frac{1}{4}$	$\frac{1}{7}$
3rd class ,,	$\frac{1}{3}$	$\frac{1}{6}$

10. Town manure (Scavenger):
    1st class—Exhaustion each crop, $\frac{1}{4}$ on arable and pasture.
    2nd class—Exhaustion each crop, $\frac{1}{3}$ on arable and pasture.
    3rd class—Exhaustion each crop, $\frac{1}{2}$ on arable and pasture.

Residuary manurial value left by the consumption of (purchased) artificial and other foods. For every ton used:

	Value of residuum. £	s.	d.
Decorticated cotton cake (containing about 6 per cent. nitrogen, 16 per cent. oil	3	0	0
Linseed and rape cake ($4\frac{1}{2}$ per cent. nitrogen, 11 per cent. oil)	2	10	0
Undecorticated cotton cake (3 per cent. nitrogen, 6 per cent. oil)	2	0	0
Beans, peas, tares, lentils, linseed, malt dust	1	10	0
Wheat, oats, barley, bran, maize, malt	1	2	0
Hay and locust beans	0	16	0
Straw of beans, oats, wheat, barley, and peas	0	11	0
Potatoes	0	4	0
Mangel wurzel, carrots and turnips	0	3	0

Manurial residue from the foregoing foods:

	On arable land and hay meadow.	Pasture.
1st class—Exhaustion each crop	$\frac{1}{4}$	$\frac{1}{6}$
2nd class ,,	$\frac{1}{3}$	$\frac{1}{4}$
3rd class ,,	$\frac{1}{2}$	$\frac{1}{3}$

"Crop" in every case to mean the produce of one year.

It is not pretended that the manures and foods enumerated are exhaustive of those in the market, but your Committee have dealt with those most commonly used in the district; others not mentioned can be estimated by comparing them to those mentioned of like character and quality.

When a crop of hay is taken from pasture land it should be counted as having the same effect as a crop from arable land.

The onus of proof to rest on the person claiming compensation that the manures and foods were pure of their kind, and not charged at more than their fair market value.

In conclusion, your Committee have to say that they are strongly impressed with the conviction that the practical working and effect of compensation, so regulated and scheduled as they have put it, would be a general and constant attempt on the part of tenants to secure, by good farming, compensation of the 1st class. The three classes would always be present in their mind, and whilst trying for the higher or highest rate of compensation—pursuing their own interest—they would necessarily be acting for the permanent good of the holding; and the probable (and, indeed, reasonable) outcome would be a vast advance and improvement in the agriculture of the country, with advantage to the landowner, the tenant, and the consumer.

Appendix A. XVI.

APPENDIX XVI.

TABLE showing Cost of erecting Machinery for Frozen Chambers.

(Handed in by Mr. H. R. Farquharson, M.P. Q. 31,977.)

Size of Compressors.	Cubic feet of Space alone which Machines are capable of cooling.	Horse power required at 36 revolutions, 20 lb. back pressure, 160 lb. direct.	Well Water required per Minute in Gallons.	Capacity, equal in Tons of Ice melted, in 24 hours.	Capacity in Tons of Ice manufactured in 24 hours.	Capacity in Beef 1,000 lbs., chilled from 98° to 32° Fahr. per 24 hours.	Capacity in Hogs 200 lbs., chilled from 98° to 32° Fahr. per 24 hours.	Approximate Cost of Plant, not including Buildings or Insulation.
								£
6×10	16,000	3	3	2	1	5	22	500
6×12	37,000	6	5	4	2	18	86	600
8×16	88,000	12	10	9	5	40	195	1,400
9×16	114,000	16	14	12	6½	52	258	1,500
10×20	173,000	25	20	18	10	80	390	2,200
12×24	300,000	42	35	32	20	140	690	3,300
14×28	474,000	66	50	50	30	215	1,080	5,000
16×32	711,000	100	75	75	45	325	1,615	6,000
18×36	1,000,000	140	110	110	65	480	2,365	7,000

Appendix A. XVII.

APPENDIX XVII.

(Handed in by Mr. Farquharson, M.P. See Q. 32,020.)

TITHE RENTCHARGE FOR 1893 IN 13 PARISHES IN ESSEX COUNTY.

Table showing the Amounts added for Rate at the Time of Computation.

Extracted from Tithe Commission Reports.

Tabe showing—(I.) The Real Amount of Tithe and Rates in 1893. (II.) The Amount claimed by the Tithe Owners. (III.) The Amount overpaid by Tithe-Payers.

Names of Parishes.	Amount of Tithe or Composition.	Amount added for Rates.	Amount of Award.	Rate in £ added.	I. Tithe and Rates for 1893. Tithe on Composition, 74*l.* 15*s.* 2¾*d.* per 100*l.*	Rates in £.	Amount of Rates, less 15 per cent. allowed.	Amount of Tithes and Rates.	II. Amount claimed by Tithe-Owners.	III. Amount lost by the Tithe-payers.
	£ s. d.	£ s. d.	£ s. d.	s. d.	£ s. d.	s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Berden	244 0 0	120 0 0	360 0 0	9 10	182 8 4	2 6	19 7 7	201 15 11	269 2 10	67 6 11
Burys Hamlet.	319 12 4	155 0 0	468 0 0	9 9	238 18 10	2 8	27 1 6½	266 0 4½	349 17 8	83 17 3½
Bocking	945 10 2	454 9 10	1,360 0 0	9 5	706 17 5	2 7	77 10 9	784 8 2	1,016 15 2	237 7 0
Clavering	390 3 9	187 18 8	504 0 0	9 7½	291 14 2	2 7	32 0 2½	323 14 4½	376 15 11½	53 1 7
"	323 16 10½	150 6 11½	465 6 0	9 3½	242 5 10	2 7	26 12 0	268 17 10	357 17 3	88 19 5
Gestingthorpe	110 2 6	44 11 9	183 0 0	8 1¼	82 6 7½	2 3	7 17 5	90 4 0½	136 15 4	46 11 3½
Halstead	892 18 4½	537 1 7½	1,350 0 0	12 0½	668 2 3	3 6	99 7 7½	767 9 10½	1,009 5 8¼	241 15 9¾
Great Easton	481 10 0	232 5 11	740 0 0	9 8	359 18 5¾	2 9	42 1 3¾	401 19 9½	553 4 9	151 4 11½
Great Henry	265 0 0	148 15 5	375 0 0	11 2½	198 4 3½	2 2	18 5 0	216 9 3½	280 7 1	63 17 9½
Great Waltham.	273 10 0	126 10 0	400 0 0	9 3	204 9 4¾	3 2	27 10 11½	232 0 4¼	299 0 11	67 0 6¾
Ridgewell	270 15 0	153 5 0	420 0 0	11 4	202 8 3¼	3 10	32 19 5¾	235 7 9¼	313 19 11¼	78 12 2
"	85 0 0	51 0 0	136 0 0	12 0	63 10 11¼	3 10	10 7 0¾	73 18 0	101 13 6	27 15 6
Sible Hedingham.	960 6 3	542 1 2	1,500 0 0	11 3½	717 8 10½	3 8	111 16 0	829 4 10½	1,121 8 7	392 3 8½
Toppesfield	637 15 6½	352 11 3	1,100 0 0	11 0½	476 16 3	3 10	77 13 7½	554 9 10½	822 7 7	267 17 8½
Wimbush-cum-Thunderley	388 0 0	172 0 3	560 0 0	8 11¼	290 1 5½	3 2	39 0 9½	329 2 2¾	418 13 3½	89 11 0¾
	154 0 0	81 4 1	195 0 0	10 7	115 2 7¾	3 2	15 9 10	130 12 5¾	145 15 8¼	15 3 2½
	178 14 3	94 2 2	275 0 0	10 6	133 12 1¼	3 2	17 19 1½	151 1 2¾	205 11 10	54 10 7¼
	6,920 19 0½				5,174 6 2¾					1,926 16 7¼

In the above 13 parishes on an actual tithe of 5,174*l.* no less than 1,926*l.*, or 37¼ per cent., was overpaid in 1893.

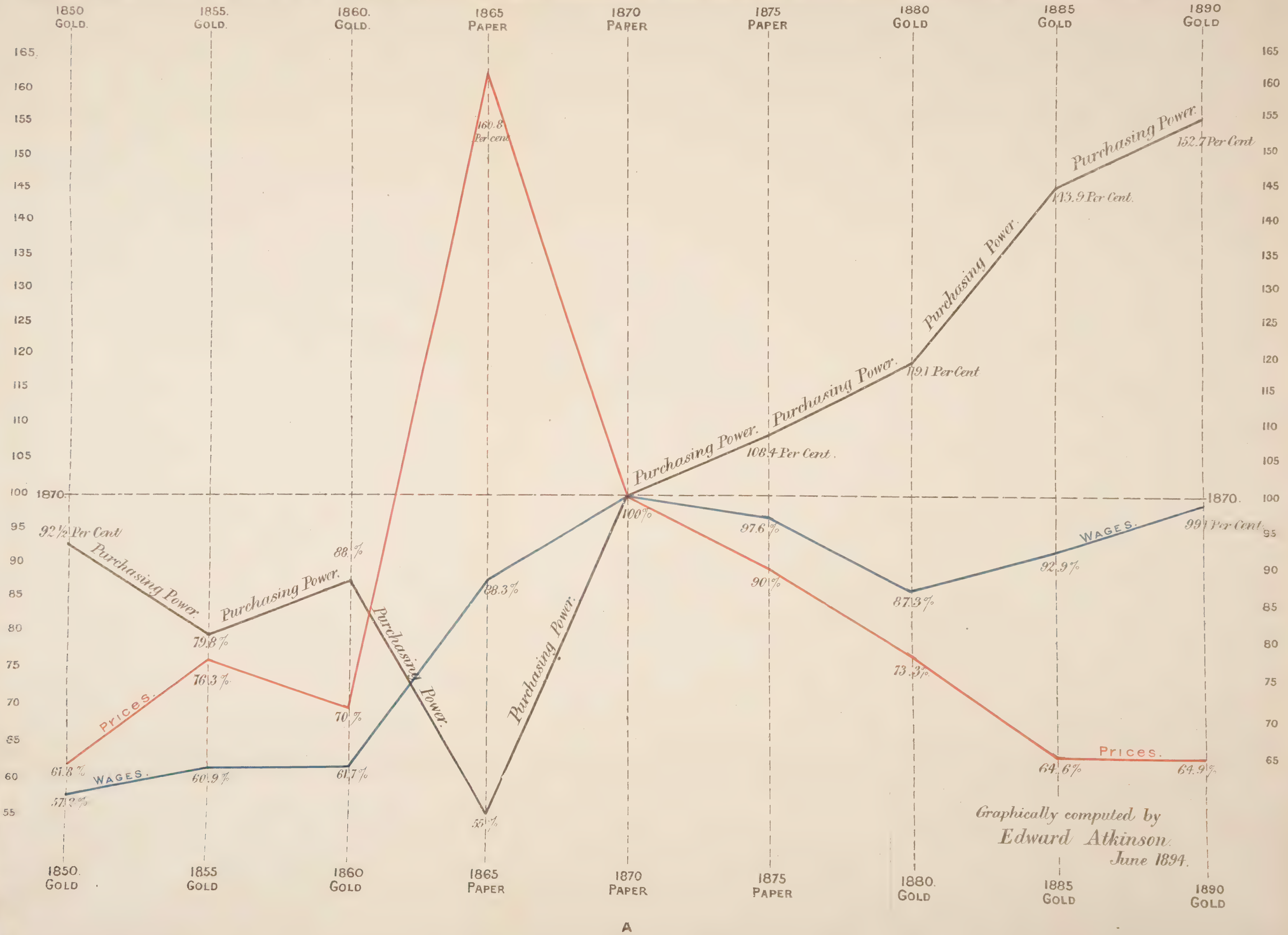
NOTE.—In calculating the amount payable for rates in 1893, 15 per cent. has been struck off the tithe to bring it to its rateable value. In nearly every case the actual allowance was much larger, and the amount paid as rates correspondingly less.

APPENDIX XVIII.

Handed in by M. E. Atkinson (See Ques. 32619.)

Purchasing Power of Wages. *Compared by Periods of Five Years.*

Comparison of the relation of wages and prices, coupled with the relative purchasing power of wages 1850 to 1890 inclusive. The standard of 1870 being taken at 100 on the three elements, the variations are from that initial point. The data for the table are taken wholly from the Senate Report on Prices and Wages for 52 years, compiled under the direction of Commissioner Carroll D. Wright. The digest of these statistics was made by Professor Roland P. Falkner. The wages are computed on all industries covered in the report. See Vol. I., page 174. The prices are on all articles treated in the report, averaged by Professor Falkner according to the relative importance in consumption. See Vol. I., page 93. The initial point taken at 100 by Professor Falkner is 1860. I have changed the initial point to 1870, and the line of purchasing power of wages dates from that year when the civil war had been over more than five years, and measures for restoring the specie standard on a gold basis had begun.



Graphically computed by
Edward Atkinson.
June 1894.

A

Wyman & Sons Lt.Lith.63.Carter Lane. 8539.11.94.

APPENDIX XVIII.

Appendix A. XIX.

APPENDIX XIX.

(*Handed in by Mr. E. Atkinson. See Question* 32,951.)

CENSUS BULLETIN.

Statistics of Agriculture.

Department of the Interior,
Census Office,
Washington, D. C., March 15, 1894.

This bulletin, prepared under the supervision of Mr. W. H. Olcott, in charge of the division of agriculture of the Census Office, shows for the United States, by geographical divisions and by states and territories, the principal statistics of agriculture as obtained at the Eleventh Census.

In enumerating farms, no farm was reported of less than 3 acres unless $500 worth of produce had been actually sold from it during the year; and all land once ploughed was considered improved, unless afterwards abandoned for cultivation.

The value of products was estimated by the farmers when there was no exact account kept of the same.

The statistics relating to the cultivation of potatoes and hay do not appear in this bulletin, as their revision has not been completed.

The table shows the number, area, and valuation of farms in 1890, live stock on hand June 1, 1890, and the agricultural products for the year 1889. The figures are preliminary and subject to modification for final report.

Farms.

The total number of farms enumerated in 1890 was 4,564,641, as compared with a total of 4,008,907 in 1880, an increase of 555,734, or 13·86 per cent.

The total area of land in these farms in 1890 was 623,218,619 acres, 357,616,755 acres of which were improved. In 1880 there were 536,081,835 acres in farms, 284,771,042 acres of which were improved. Therefore, there was an increase of 87,136,784 acres, or 16·25 per cent., of the total land in farms, and 72,845,713 acres, or 25·58 per cent., improved.

The per-centage of the total land service in farms in 1890 was 32·79, as compared with 28·20 in 1880, and the per-centage of the total farm area that remained unimproved at the latter date was 42·62, as compared with 46·88 at the former.

The value of these farm lands, including fences and buildings, was in 1890 $13,279,252,649 and in 1880 $10,197,096,776, showing an increase of 30·23 per cent. in their valuation since 1880.

The value of farm implements and machinery in 1890 on these farms was $494,247,467, and in 1880 $406,520,055, showing an increase of 21·58 per cent. since 1880.

The value of live stock on hand June 1, 1890, on these farms was $2,208,767,573, and the value in June 1880 was $1,500,384,707, showing an increase of 47·21 per cent. since 1880.

In the year 1889 the value of farm products was $2,460,107,454, and in the year 1879 the value was $2,212,540,927, showing an increase of 11·19 per cent. since 1880.

Live Stock and Live Stock Products on Farms.

There were 14,969,467 horses on farms in 1890, which was an increase of 4,611,979, or 44·53 per cent., over the number reported in 1880. Of this number, 8,571,177, or 57·26 per cent., were reported in the North Central Division. There were 289,316 horses reported on ranges in 1890, making the total number, including both those on farms and on ranges, 15,258,783.

There were 2,295,532 mules and asses on farms in 1890, which was an increase of 482,724, or 26·63 per cent., over the number reported in 1880. Of this number, 1,093,722, or 47·65 per cent., were reported in the South Central division. There were 19,253 mules and asses returned as on ranges in 1890, making the total number, including both those on farms and on ranges, 2,314,785.

There were 57,409,583 swine on farms in 1890, which was an increase of 9,727,883, or 20·40 per cent., over the number returned in 1880. Of this number, 37,624,632, or 65·54 per cent., were reported in the North Central division. There were 15,704 swine reported as on ranges in 1890, making a total, including both those on farms and on ranges, of 57,425,287.

There were 1,117,494 working oxen, 16,511,950 milch cows, and 33,734,128 other cattle, making a total of 51,363,572 neat cattle on farms in the United States on June 1, 1890, as compared with 993,841 working oxen, 12,443,120 milch cows, and 22,488,550 other cattle, making a total of 35,925,511 in 1880. There is, therefore, an increase of 123,563, or 12·44 per cent., in the number of working oxen, of 4,068,830, or 32·70 per cent., in the number of milch cows, and of 11,245,578, or 50·01 per cent., in the number of other cattle, the increase in the total number of neat cattle on farms being 15,438,061, or 42·97 per cent. In addition to the above there were 6,285,220 neat cattle reported on ranges June 1, 1890, making a total of neat cattle on farms and ranges of 57,648,792.

The total production of milk on farms in the United States in the year ending December 31, 1889, was 5,209,125,567 gallons, equivalent to 315·48 gallons for each milch cow reported on June 1, 1890, and to 83·18 gallons per head of population.

The total production of butter on farms in the year ending December 31, 1889, was 1,024,223,468 pounds, as compared with a total of 777,250,287 pounds in 1879, and the total production of cheese 18,726,818 pounds, as compared with a total of 27,272,489 pounds in 1879, an increase of 246,973,181 pounds, or 31·78 per cent., in the production of butter on farms, and a decrease of 8,545,671 pounds, or 31·33 per cent., in the production of cheese on farms.

It should be borne in mind that the above figures for butter and cheese represent only that which has been produced on farms, and does not include the amount made in cheese and butter factories, the returns of which will appear in the report on manufactures, although the total of milk produced is shown.

The total number of sheep, exclusive of spring lambs, on farms in the United States on June 1, 1890 was 35,935,364. The number of fleeces shorn in the fall of 1889 and spring of 1890 was 32,126,868, yielding 165,449,239 pounds of wool, or an average of 5·15 pounds per fleece.

The total number of sheep on farms in 1880 was 35,192,074, yielding 155,681,751 pounds of wool, or an average of 4·42 pounds per fleece.

There was, therefore, an increase from 1880 to 1890 of 743,290, or 2·11 per cent., in the number of sheep, and of 9,767,488, or 6·27 per cent., pounds of wool.

In addition to the sheep and wool reported on farms there were 4,940,948 sheep and 25,828,845 pounds of wool reported on ranges, which would make a total of 40,876,312 sheep and 191,278,084 pounds of wool in the United States.

The figures appearing in this bulletin as to the amount of wool clipped are from the definite returns made to the Eleventh Census, and do not include the estimated amount of pulled wool, or of wool that might have been clipped in the summer of 1890 after the enumeration of June 1.

As the live stock on ranges in 1880 was largely estimated, there are no comparisons made in this bulletin, except for the live stock on farms. The following statement will show the live stock on ranges in the United States in 1890 as gathered by special agents :—

Horses	289,316
Mules and asses	19,254
Swine	15,704
Neat cattle	6,285,220
Sheep	4,940,948

Fibres.

The total area devoted to the production of cotton in the United States in 1889 was 20,175,270 acres, and the total production in the fall of 1889 and the early winter of 1889–90 was 7,472,511 bales of 477 pounds net, amounting to 3,564,387,747 pounds, an average of 176·67 pounds to the acre.

In 1879 the total area devoted to cotton was 14,480,019 acres and the total production 5,755,359 bales of 453 pounds net, amounting to 2,607,177,627 pounds, an average of 180·05 pounds to the acre.

There is therefore an increase of 5,695,251 acres, or 39·33 per cent. in the area, and 957,210,120 pounds, or 36·71 per cent. in the production.

The returns which were made to the Census Office in bales have been reduced to pounds, in accordance with the figures appearing in the statistical abstract, prepared by the Bureau of Statistics of the United States Treasury Department in 1890. It will be noted that the weight per bale is heavier in 1890 than in 1880.

There were 1,318,698 acres devoted to the cultivation of flax in the United States in 1889, 1,301,137 acres, or 98·67 per cent. being in the North Central division. There were 10,250,410 bushels of flaxseed produced, 98·40 per cent. of which was in the North Central division. There were 241,389 pounds of fibre produced, 72·09 per cent. of which was in the North Central division.

There were 25,054 acres devoted to the cultivation of hemp in the United States in 1889, 23,468 acres of which, or 93·67 per cent. were in the state of Kentucky, the total production in the United States being 11,511 tons, 10,794 of which, or 93·77 per cent., were in the state of Kentucky, Illinois being the only other State producing over 100 tons.

Cereals.

The area devoted to the cultivation of cereals in the United States in 1889 was 140,217,545 acres, and the total production of cereals 3,518,816,904 bushels, such acreage and production being distributed among the different cereals as follows:—

Products.	Acres.	Bushels.
Corn	72,087,752	2,122,327,547
Wheat	33,579,514	468,373,968
Oats	28,320,677	809,250,666
Barley	3,220,834	78,332,976
Rye	2,171,604	28,421,398
Buckwheat	837,164	12,110,349

This area of 140,217,545 acres is an increase of 21,585,766 acres, or 18·20 per cent. since 1879. This increase, however, is not keeping pace with the growth of population, which increased 24·86 per cent. between 1880 and 1890, the area per capita being 2·24 acres as compared with 2·37 at the Tenth Census, a decrease of 0·13 acres per capita. There has been an increase in the production of cereals since the Tenth Census of 821,236,675 bushels, or 30·44 per cent., the total production per capita being 56·19 bushels as compared with 53·78 bushels at the Tenth Census, showing an increase of 2·41 bushels per capita.

Of the area under cereals in the United States in 1889, 51·41 per cent. was under corn, 23·95 per cent. under wheat, 20·20 per cent. under oats, 2·29 per cent. under barley, 1·55 per cent. under rye, and 0·60 per cent. under buckwheat, as compared with 52·57 acres under corn, 29·87 acres under wheat, 13·61 acres under oats, 1·68 acres under barley, 1·55 acres under rye, and 0·72 acres under buckwheat in every 100 acres under cereals in 1879.

Tobacco.

There were 695,301 acres devoted to the cultivation of tobacco in the United States in 1889, yielding a product of 488,256,646 pounds, an increase of 15,595,489 pounds since 1879.

Rice.

There were 161,312 acres in the United States in 1889, devoted to the cultivation of rice, all of which were reported from 10 States, principally from Louisiana and South Carolina, the production amounting to 128,590,934 pounds.

The table following also contains statistics relating to the cultivation of hops, broom corn, pulse, and peanuts.

Carroll D. Wright,
Commissioner of Labour in charge.

APPENDIX XX.

Appendix A, XX.

(*Handed in by Mr. E. Atkinson. See Question* 32,951.)

EXTRA CENSUS BULLETIN.

Statistics of Farms, Homes, and Mortgages.

Ownership and Debt—Summary for 22 States and Territories.

Department of the Interior,
Census Office,
Washington, D.C.,
November 28, 1893.

Sir,

For the purpose of bringing together the more important results of the investigation of farm and home proprietorship and indebtedness in the 22 states and territories for which the returns have been tabulated, this bulletin has been published, with details for the states and territories and for the 170 cities and towns in them having a population of more than 8,000.

In regard to farms, the conclusion is that 32·30 per cent. of the farm families hire, and 67·70 per cent. own the farms cultivated by them; that 30·22 per cent. of the farm owning families own, subject to incumbrance, and 69·78 per cent. own free of incumbrance. Among 100 farm families, 32 hire their farms, 21 own with incumbrance, and 47 without incumbrance. On the owned farms there are liens amounting to $290,481,192, which is 35·44 per cent. of their value, and this debt bears interest at the average rate of 6·94 per cent., making the annual average interest charge $78 to each family. Each owned an incumbered farm, on the average, is worth $3,190, and is subject to a debt of $1,130.

The corresponding facts for homes are that 63·25 per cent. of the home families hire, and 36·75 per cent. own their homes; that of the home owning families 71·12 per cent. own free of incumbrance, and 28·88 per cent. with incumbrance. In 100 home families, on the average, 63 hire their homes, 11 own with incumbrance, and 26 without incumbrance. The debt on owned homes, aggregates, $331,628,030, or 40·53 per cent. of their value, and bears interest at the average rate of 6·03 per cent., so that the annual amount of interest to each home averages $80. An average debt of $1,319 incumbers each home, which has the average value of $3,254.

There are 161 cities and towns in these states and territories in the class of those having a population of 8,000 to 100,000, and in these cities 67·37 per cent. of the home families hire, and 32·13 per cent. own their homes, and of the home owning families, 37·03 per cent. own with incumbrance, and 62·97 per cent. own free of incumbrance. In 100 home families, on the average, are found 68 that hire their homes, 12 that own with incumbrance, and 20 that own without incumbrance. The liens on the owned homes are 41·89 per cent. of the value of those subject to lien. Several averages show that the rate of interest is 5·82 per cent.; value of each owned and incumbered home, $3,837; lion on the same, $1,607, and yearly interest charge on each home, $94.

In the nine cities having a population of more than 100,000, 74·15 per cent. of the home families hire, and 25·85 per cent. own their homes; 38·51 per cent. of the home owning families have incumbrance on their homes, and 61·49 per cent. own and occupy homes free of incumbrance. Among 100 families, on the average, 74 hire, 10 own with incumbrance, and 16 without incumbrance. Averages for each owned and incumbered home: incumbrance, $1,967; value, $4,883; interest charge for one year, $117; rate of interest, 5·94 per cent. Homes are incumbered for 40·28 per cent. of their value.

Real estate, purchase, and improvements, when not associated with other objects caused 74·56 per cent. of the farm debtor families to incur 77·38 per cent. of the farm debt, and 81·98 per cent. of the home debtor families to incur 81·52 per cent. of the home debt.

Very respectfully,
Carroll D. Wright,
Commissioner of Labour in Charge.

The Secretary of the Interior.

I.—Statement showing the Quantities of Wheat and Wheat Meal and

Countries.	1874.	1875.	1876.	1877.	1878.	1879.	1880.	1881.	1882.	1883.
	Wheat—Total of Grain and Flour									
	Cwts.	Cwts.	Cwts.	Cwts.	Cwts.	Cwts.	Cwts.	Cwts.	Cwts.	Cwts.
Russia, Northn. Ports	710,002	1,688,141	1,977,546	7,055,850	4,133,198	3,045,514	244,463	426,948	2,718,572	6,561,286
,, Southn. Ports	5,088,974	8,469,706	6,034,242	3,948,067	5,016,953	5,071,971	2,719,296	3,673,024	6,962,689	6,889,688
Sweden - -	24,077	100,052	58,420	36,453	16,707	22,082	5,086	—	54,884	95,827
Denmark - -	455,394	831,850	852,030	670,083	638,072	554,893	418,911	368,010	530,907	535,064
Germany - -	4,012,066	6,613,544	3,487,672	7,004,360	6,511,560	4,757,794	2,821,164	3,096,326	5,596,202	5,343,108
France - -	1,124,712	3,573,777	1,653,800	3,869,508	885,434	461,049	350,360	260,813	286,200	219,624
Spain - -	418,420	157,217	270,473	1,028,362	211,156	3,694	252	312	1,107	3,827
Austrian Territories	285,208	420,192	561,588	1,335,921	1,696,888	1,911,110	1,416,391	1,382,183	1,999,616	2,256,924
Roumania - -	53,468	351,686	394,814	229,808	104,825	158,854	126,629	214,855	197,662	403,937
Turkey - -	569,709	960,748	866,443	1,026,280	154,833	11,500	4,419	{ 29,299 10,804	559,030 98,787	1,129,373 737,925
Egypt - -	297,928	2,112,138	2,249,252	2,464,046	218,238	2,063,718	1,605,437	1,072,550	177,714	1,173,248
United States:										
Atlantic Ports -	21,085,372	17,206,410	15,105,922	13,973,413	28,668,221	37,015,145	37,690,287	33,168,149	28,294,077	26,707,552
Pacific Ports -	6,120,680	9,165,741	7,117,481	9,620,592	4,919,939	7,604,474	7,092,813	12,531,807	16,717,534	13,870,514
Argentine Republic	†	†	†	†	21,887	194,521	34,521	31	18	125,295
Chile - -	2,207,016	902,660	1,012,642	809,793	50,573	1,492,041	1,450,348	1,171,039	1,717,587	2,302,396
British N. America	4,298,315	4,069,565	2,776,975	3,265,174	2,999,400	5,353,697	4,543,407	3,200,434	3,121,168	2,444,566
British India -	1,074,390	1,334,374	3,296,575	6,106,079	1,820,881	889,531	3,230,144	7,338,751	8,463,751	11,248,988
Australasia -	1,156,599	1,265,747	2,842,200	451,102	1,561,006	2,294,653	4,613,353	3,314,540	3,094,024	2,792,885
Other Countries -	340,363	323,073	446,358	596,538	61,812	95,869	92,533	84,784	177,578	231,619
Total -	49,322,693	59,546,621	51,904,433	63,491,429	59,691,583	73,002,110	68,459,814	71,344,659	80,769,107	85,073,646
	Barley.									
Russia - -	2,019,360	2,585,558	1,547,518	1,499,565	4,827,663	2,473,104	1,491,464	1,167,922	4,097,344	5,517,049
Sweden - -	341,474	468,839	320,490	318,254	460,587	491,028	466,047	229,129	556,685	397,502
Denmark - -	1,333,345	1,187,741	994,017	995,018	1,854,103	2,122,752	2,118,457	1,376,908	1,062,914	750,034
Germany - -	728,282	1,119,266	431,342	2,592,513	3,150,017	3,600,513	2,636,847	1,692,306	2,175,536	1,794,914
France - -	2,136,414	2,081,755	1,642,070	1,900,054	459,568	625,680	1,165,175	2,001,182	909,685	1,475,713
Austrian Territories	8,209	33,769	—	31,691	82,618	—	6,064	34,635	132,135	367,705
Roumania -	958,876	439,760	964,505	212,315	1,068,653	1,533,987	2,417,681	1,887,134	5,719,985	4,460,601
Turkey - -	3,327,078	2,553,557	3,235,652	3,784,905	1,026,868	89,301	83,540	{ 251,964 146,316	513,344 97,498	1,183,051 79,730
Egypt - -	48,270	127,663	272,718	220,028	—	94,306	125,254	59,971	48,467	95,945
United States -	32,200	7,708	128,571	807,401	1,084,562	158,521	328,345	273,859	47,578	118,756
Chile - -	6,523	245,684	700	4,453	—	60,353	249,147	3,397	6,851	52,859
Other Countries -	395,365	198,176	235,362	593,329	142,280	296,769	617,269	681,221	172,090	167,469
Total -	11,335,396	11,049,476	9,772,945	12,959,526	14,156,919	11,546,314	11,705,290	9,805,944	15,540,112	16,461,328

II.—Statement showing the Quantities of Oats, Maize,

	1874.	1875.	1876.	1877.	1878.	1879.	1880.	1881.	1882.	1883.
	Oats.									
Russia - -	5,016,883	6,425,535	4,719,581	7,412,961	6,301,684	7,068,190	7,843,657	5,698,287	8,471,227	9,030,383
Sweden - -	4,187,253	3,106,872	4,278,923	3,083,578	4,081,140	4,479,287	4,061,822	3,209,974	4,042,283	4,723,901
Denmark - -	478,338	394,190	216,926	106,457	289,071	812,895	338,938	160,855	108,235	302,556
Germany - -	833,628	1,395,305	314,352	1,281,760	1,045,498	301,874	118,868	66,740	595,125	632,759
Holland - -	287,413	461,446	306,793	316,643	290,602	151,836	173,244	166,699	151,952	195,926
France - -	72,633	84,378	12,564	12,340	2,463	32,183	128	13,063	10,359	25,765
United States -	5,435	29,399	182,566	41,923	40,148	20,605	57,804	7,877	177	97
British N. America	272,702	394,612	1,085,644	604,373	664,883	485,336	738,990	546,214	184,754	89,351
Other Countries -	233,483	144,151	93,760	50,000	58,931	119,454	493,281	454,410	74,345	136,802
Total -	11,387,768	12,435,888	11,211,019	12,910,035	12,774,420	13,471,660	13,826,732	10,324,119	13,638,457	15,137,540
	Maize.									
Russia - -	508,561	504,115	829,606	199,931	1,023,521	607,626	862,747	755,142	2,713,539	1,113,107
France - -	90,420	268,531	587	4,760	944	50	1,060	7,460	22,283	2,466
Austrian Territories	96,767	1,188,707	65,749	—	30,707	2,346	—	—	28,302	73,806
Roumania -	357,059	578,502	2,311,548	130,705	1,933,570	2,959,885	1,764,482	6,481,820	8,407,602	5,943,785
Turkey - -	1,172,715	3,870,053	6,978,732	2,030,697	2,748,378	23,968	106,708	{ 504,611 201,213	509,886 69,865	781,992 404,648
Egypt - -	12,749	63,490	132,271	43,605	—	277	15,742	93,565	484,560	78,645
United States -	13,454,617	12,058,606	27,065,460	25,577,778	32,877,700	30,470,143	31,087,773	23,714,933	5,089,092	21,040,667
Argentine Republic	†	†	†	†	42,459	44,781	—	—	467,567	19,268
British N. America	1,320,228	873,776	1,878,415	2,013,797	2,829,382	2,026,902	3,322,327	1,592,727	288,442	2,013,559
Other Countries -	680,518	1,032,700	701,001	476,545	187,245	12,401	63,894	130,375	194,593	267,163
Total -	17,693,625	20,438,480	39,963,369	30,477,818	41,673,906	36,148,379	37,224,733	33,480,846	18,275,731	31,739,106
	Rye.									
Total -	470,018	310,013	132,366	241,269	342,395	267,253	126,112	169,213	305,359	187,826

* The equivalents used in the conversion of Flour into Wheat in this table have been revised for the years 1881 to 1890 in order to improved machinery.

DIX B.

FLOUR, and of BARLEY IMPORTED into the UNITED KINGDOM.

in equivalent Weight of Grain.*

1884.	1885.	1886.	1887.	1888.	1889.	1890.	1891.	1892.	1893.	Countries.
Cwts.	Cwts.	Cwts.	Cwts.	Cwts.	Cwts.	Cwts.	Cwts.	Cwts.	Cwts.	
2,720,217	4,615,465	1,708,697	722,516	732,775	901,692	2,432,135	1,638,710	18,879	44,176	Russia, Northn. Ports
2,804,835	7,472,545	2,042,112	4,836,952	21,036,125	20,736,535	17,229,423	13,020,481	4,346,094	10,019,438	„ Southn. Ports
85,722	57,512	17,624	456	479	1,528	2,640	868	—	—	Sweden.
203,705	162,045	118,374	91,522	250,497	163,225	85,356	12,914	3,761	2,299	Denmark.
3,358,388	3,842,303	2,398,962	2,346,696	4,793,739	4,140,572	2,343,677	1,220,677	833,207	523,425	Germany.
219,476	248,842	155,352	201,046	155,936	252,291	143,316	187,250	81,253	74,167	France.
2,111	—	—	—	55	—	—	—	1,971	530	Spain.
2,030,855	2,477,549	1,873,034	1,908,371	2,792,905	3,020,923	1,920,906	1,691,594	1,357,535	1,527,244	Austrian Territories.
—	398,709	290,248	589,251	1,417,703	2,839,000	4,666,918	1,090,066	737,789	89,272	Roumania.
513,938	653,188	249,662	1,998	160,976	673,047	903,514	1,509,903	497,976	103,863	Turkey.
326,689	669,605	177,734	65,364	293,169	634,453	351,443	134,704	60,289	—	Bulgaria.
1,001,063	110,246	40,899	197,899	737,269	327,493	427,897	937,465	385,821	12,786	Egypt.
										United States:
25,343,532	23,550,667	26,823,032	39,113,634	21,891,902	17,152,190	21,328,903	34,987,251	52,688,550	44,372,749	Atlantic Ports.
10,721,519	16,158,900	13,059,217	11,498,271	9,955,286	13,806,457	12,574,660	8,239,697	8,236,235	12,883,989	Pacific Ports.
210,444	335,635	284,390	1,027,351	1,763,753	38,822	2,848,771	2,479,229	3,476,861	7,859,840	Argentine Republic.
1,055,983	1,622,869	1,706,791	2,211,001	1,485,861	572,953	24,000	2,169,253	2,308,856	2,581,202	Chile.
2,651,954	2,113,797	4,108,186	5,262,791	2,165,042	2,793,383	2,424,768	4,603,349	5,763,677	4,658,724	British N. America.
7,980,987	12,175,523	11,027,355	8,512,526	8,166,254	9,218,218	9,111,625	13,011,253	12,496,335	6,199,985	British India.
5,380,195	5,452,239	835,622	1,356,641	2,385,580	1,452,259	3,239,832	2,305,643	2,075,315	2,631,331	Australasia.
298,830	213,913	104,595	268,007	241,046	204,737	321,807	299,048	234,185	221,646	Other Countries.
66,910,443	82,331,552	67,021,886	80,212,293	80,426,352	78,929,778	82,381,591	89,539,355	95,604,589	93,806,666	Total.

BARLEY.

4,965,593	6,524,542	5,541,041	7,463,633	11,530,403	7,855,500	8,254,567	6,438,666	5,182,076	13,610,085	Russia.
176,088	169,648	540,256	602,236	518,903	64,747	61,772	69,100	74,200	91,554	Sweden.
226,874	612,119	973,306	822,305	1,005,402	537,883	301,120	324,567	237,749	463,486	Denmark.
724,532	609,142	1,205,750	931,951	2,427,669	1,608,102	544,803	228,387	372,403	461,685	Germany.
1,281,262	1,424,600	1,033,323	624,552	410,014	611,597	439,595	1,112,230	1,153,863	205,681	France.
392,361	744,040	481,287	366,500	655,903	307,237	439,718	232,578	102,405	303,609	Austrian Territories.
1,401,211	2,377,519	2,346,287	2,309,276	3,207,205	3,013,457	1,964,612	2,751,202	1,395,016	1,411,124	Roumania.
2,403,631	1,288,738	648,793	175,884	906,406	1,899,700	2,352,567	3,133,984	2,991,035	3,501,401	Turkey.
43,617	124,496	37,314	—	29,285	74,114	30,700	227,255	87,473	44,750	Bulgaria.
225,340	62,516	—	44,493	64,771	272,171	238,625	412,551	102,815	114,887	Egypt.
226,659	135,913	49,809	369,169	52,420	388,636	415,333	749,451	1,196,678	1,586,441	United States.
291,777	152,583	165,338	73,081	326,792	297,051	65,040	205,903	303,556	388,083	Chile.
594,070	1,140,304	691,133	456,486	170,177	470,715	1,569,536	1,579,824	1,078,073	571,776	Other Countries.
12,953,015	15,366,160	13,713,637	14,239,566	21,305,350	17,400,910	16,677,988	17,465,698	14,277,342	22,844,562	Total.

and RYE IMPORTED into the UNITED KINGDOM.

OATS.

9,357,189	6,411,246	7,216,913	9,676,451	16,203,306	13,966,926	8,950,266	10,883,401	5,325,063	8,250,578	Russia.
2,413,791	3,690,286	4,091,318	3,407,310	1,721,357	1,568,167	1,001,524	2,550,715	1,578,220	2,890,220	Sweden.
27,046	63,146	107,832	33,670	9,026	1,300	16,300	58,620	32,411	175,111	Denmark.
275,042	95,836	331,309	476,496	399,435	106,952	240,105	380,251	267,168	399,053	Germany.
225,575	291,402	349,667	381,920	216,050	184,791	173,234	207,830	703,211	166,955	Holland.
6,177	4,916	4,072	152	41,461	1,925	6,400	219,861	1,168,406	6,493	France.
251,075	1,453,541	442,624	17,195	101	148,946	2,010,451	904,072	2,569,667	876,441	United States.
277,948	758,210	766,732	216,248	25,589	4,067	120,054	355,759	1,865,238	729,911	British N. America.
88,023	288,606	204,766	253,501	154,361	7,493	208,852	1,039,885	2,152,010	460,224	Other Countries.
12,921,866	13,057,189	13,485,233	14,462,943	18,770,686	15,990,567	12,727,186	16,600,394	15,661,394	13,954,986	Total.

MAIZE.

3,542,634	1,680,334	3,113,368	5,536,479	3,832,132	3,055,298	2,197,766	5,126,356	3,422,136	2,945,750	Russia.
50	6,086	—	16,500	—	14	38,195	—	9	38	France.
—	—	—	—	—	—	—	—	2,140	—	Austrian Territories.
9,018,307	7,343,682	7,576,612	11,065,640	7,133,657	5,215,364	8,506,415	11,179,045	8,253,553	15,690,482	Roumania.
1,051,847	675,611	87,194	38,241	384,494	227,258	81,519	199,120	720,433	949,355	Turkey.
217,477	163,588	—	—	—	48,433	643	10,390	—	362,808	Bulgaria.
660,369	75,580	6,000	2,930	256,096	704	14,564	950,328	130,351	—	Egypt.
8,894,960	19,502,622	16,701,472	11,201,831	9,837,536	22,501,135	23,226,600	7,140,624	17,037,365	9,232,364	United States.
251,036	460,118	1,303,540	2,165,275	2,204,280	1,691,348	6,855,021	920,317	4,539,057	231,956	Argentine Republic.
929,240	950,519	1,874,156	569,930	1,298,684	2,866,598	2,235,510	970,594	754,193	3,260,851	British N. America.
214,544	668,595	349,223	570,499	423,285	586,173	281,601	328,851	521,987	228,899	Other Countries.
24,780,464	31,526,735	31,011,565	31,167,325	25,370,164	36,192,325	43,437,834	26,825,625	35,381,224	32,902,503	Total.

RYE.

220,579	341,195	296,941	785,261	1,332,267	595,001	579,124	466,284	574,891	726,173	Total.

express with greater accuracy the change in the yield of Flour from a given quantity of Wheat, the result of the gradual adoption of

† Not separately enumerated in these years.

Appendix C.

APPENDIX C.

STATEMENT SHOWING THE NUMBER OF PERSONS ENGAGED IN AGRICULTURAL OCCUPATIONS IN GREAT BRITAIN ACCORDING TO THE CENSUS RETURNS OF 1871, 1881, AND 1891.

NOTES.

* In the Census of 1891 persons who were in the Census Returns of 1871 and 1881 classed under "agricultural labourer, farm servant, and cottager" were given under two heads, viz., "agricultural labourer, farm servant" and "horsekeeper, horseman, teamster, and carter." The *italic* figures in the 1891 column show the number of the latter and the Roman figures the number of the former class.

† The persons classed under "groom, horsekeeper, horsebreaker" in the Census Returns of 1871 and 1881 are included with "coachman, cabman, groom, &c." in the Returns for 1891 and have therefore not been given in the above table.

‡ In the Census Returns of 1871 and 1881 gardeners were shown partly in the domestic class and partly in the agricultural class, but in the Returns for 1891 they were all included in the agricultural class. The figures in the above table for 1871 and 1881 include both classes.

In 1891 only persons of and above 10 years of age are included in the occupation Returns of England and Wales, and the same is believed to be the case in the Returns for Scotland.

In the Census Returns for Scotland for 1881 and 1891 farmers' sons under 15 years of age were included with children or scholars, and in order that the numbers in the above tables may be comparative, only farmers' sons of and above 15 are included in the 1871 figures.

SUMMARY STATEMENT of the NUMBERS of PERSONS engaged in the under-mentioned occupations (principally agricultural) in ENGLAND and WALES according to the CENSUS RETURNS of 1871, 1881, and 1891.

ENGLAND AND WALES.

Occupations.	1871.	1881.	1891.
Farmer, grazier	225,569	203,329	201,918
Farmer's son, brother, grandson, nephew	76,466	75,197	67,287
Farm bailiff	16,476	19,377	18,205
Agricultural labourer	764,574	807,608	*709,283
Farm servant (indoor)	134,157		**25,701*
Shepherd	23,323	22,844	21,573
Nurseryman, reedsman, florist, gardener‡	119,630	145,142	174,290
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	2,152	4,222	4,608
Drover	2,950	2,586	2,824
Gamekeeper	12,429	12,633	13,184
Total	1,377,726	1,292,938	*1,213,802 **25,701*

STATEMENT of the NUMBERS of PERSONS engaged in the under-mentioned occupations (principally agricultural) in the different REGISTRATION COUNTIES of ENGLAND and WALES according to the CENSUS RETURNS of 1871, 1881, and 1891.

ENGLAND.

Occupations.	1871.	1881.	1891.
BEDFORDSHIRE.			
Farmer, grazier	1,404	1,209	1,197
Farmer's son, brother, grandson, nephew	487	418	316
Farm bailiff	162	177	161
Agricultural labourer	15,936	14,749	*13,268
Farm servant (indoor)	401		**179*
Shepherd	410	318	242
Nurseryman, seedsman, florist, gardener‡	1,278	1,324	1,736
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	14	67	66
Drover	25	20	31
Gamekeeper	139	131	137
Total	20,256	18,413	*17,154 **179*

Statement of the No. of Persons engaged, &c.—*cont.*

Occupations.	1871.	1881.	1891.
BERKSHIRE.			
Farmer, grazier	1,838	1,531	1,463
Farmer's son, brother, grandson, nephew	513	449	428
Farm bailiff	382	417	406
Agricultural labourer	20,079	18,638	*14,880
Farm servant (indoor)	1,023		**1,224*
Shepherd	1,053	980	841
Nurseryman, seedsman, florist, gardener‡	2,664	3,587	4,419
Horsekeeper†	—	—	—
Agricultural machine proprietors, attendant	60	151	163
Drover	45	39	37
Gamekeeper	313	281	339
Total	27,970	26,073	*22,976 **1,224*
BUCKINGHAMSHIRE.			
Farmer, grazier	1,889	1,605	1,733
Farmer's son, brother, grandson, nephew	639	553	496
Farm bailiff	191	222	226
Agricultural labourer	15,819	13,277	*12,064
Farm servant (indoor)	744		**238*
Shepherd	453	394	371
Nurseryman, seedsman, florist, gardener‡	1,496	1,693	2,159
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	20	46	51
Drover	43	27	20
Gamekeeper	180	179	192
Total	21,474	17,996	*17,312 **238*
CAMBRIDGESHIRE.			
Farmer, grazier	3,645	3,143	3,343
Farmer's son, brother, grandson, nephew	1,141	863	867
Farm bailiff	373	391	355
Agricultural labourer	22,301	20,994	*21,021
Farm servant (indoor)	731		**185*
Shepherd	645	581	526
Nurseryman, seedsman, florist, gardener‡	1,210	1,400	1,802
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	98	150	181
Drover	36	27	37
Gamekeeper	94	105	111
Total	30,274	27,654	*28,213 **185*
CHESHIRE.			
Farmer, grazier	6,928	6,287	6,230
Farmer's son, brother, grandson, nephew	2,827	2,820	2,508
Farm bailiff	202	272	267
Agricultural labourer	13,439	16,558	*15,597
Farm servant (indoor)	4,707		**498*
Shepherd	91	74	68
Nurseryman, seedsman, florist, gardener‡	3,709	4,795	5,857
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	10	22	55
Drover	21	33	51
Gamekeeper	866	331	311
Total	32,300	31,192	*30,944 **498*

Statement of the No. of Persons engaged, &c.—*cont.*

Occupations.	1871.	1881.	1891.
CORNWALL.			
Farmer, grazier	8,107	7,722	7,785
Farmer's son, brother, grandson, nephew	2,786	3,097	2,510
Farm bailiff	124	193	128
Agricultural labourer	12,149	15,393	*12,945
Farm servant (indoor)	4,367		*136
Shepherd	82	73	65
Nurseryman, seedsman, florist, gardener‡	1,402	1,611	1,987
Horsekeeper†	--	—	—
Agricultural machine proprietor, Attendant	10	22	39
Drover	5	11	14
Gamekeeper	98	116	152
Total	29,040	28,238	*25,625 *136
CUMBERLAND.			
Farmer, grazier	4,795	4,654	4,710
Farmer's son, brother, grandson, nephew	2,131	2,486	2,427
Farm bailiff	183	150	131
Agricultural labourer	4,395	8,579	*7,749
Farm servant (indoor)	5,019		*108
Shepherd	167	209	213
Nurseryman, seedsman, florist, gardener‡	697	996	1,094
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	11	4	36
Drover	20	23	26
Gamekeeper	145	210	218
Total	17,563	17,311	*16,604 *108
DERBYSHIRE.			
Farmer, grazier	5,396	5,211	4,972
Farmer's son, brother, grandson, nephew	1,657	1,589	1,457
Farm bailiff	134	161	185
Agricultural labourer	5,309	7,672	*6,602
Farm servant (indoor)	2,995		*230
Shepherd	63	65	47
Nurseryman, seedsman, florist, gardener‡	1,422	1,748	2,197
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	8	14	20
Drover	36	27	45
Gamekeeper	192	179	205
Total	17,212	16,666	*15,730 *230
DEVONSHIRE.			
Farmer, grazier	10,313	9,229	9,042
Farmer's son, brother, grandson, nephew	4,491	4,382	3,805
Farm bailiff	230	402	355
Agricultural labourer	25,619	29,282	*25,126
Farm servant (indoor)	8,043		*324
Shepherd	316	310	293
Nurseryman, seedsman, florist, gardener‡	3,902	4,811	5,812
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	14	58	68
Drover	38	52	58
Gamekeeper	330	384	444
Total	53,296	48,910	*45,003 *324

Statement of the No. of Persons engaged, &c.—*cont.*

Occupations.	1871.	1881.	1891.
DORSETSHIRE.			
Farmer, grazier	2,295	2,163	2,463
Farmer's son, brother, grandson, nephew	871	662	746
Farm bailiff	216	266	242
Agricultural labourer	15,807	14,222	*11,282
Farm servant (indoor)	157		*1,226
Shepherd	792	759	716
Nurseryman, seedsman, florist, gardener‡	1,356	1,579	1,993
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	21	73	62
Drover	23	20	10
Gamekeeper	309	284	339
Total	21,847	20,028	*17,853 *1,226
DURHAM.			
Farmer, grazier	3,892	3,347	3,438
Farmer's son, brother, grandson, nephew	1,266	1,422	1,220
Farm bailiff	246	304	210
Agricultural labourer	4,866	6,674	*6,238
Farm servant (indoor)	2,510		*114
Shepherd	105	117	125
Nurseryman, seedsman, florist, gardener‡	1,449	1,806	2,077
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	25	32	50
Drover	15	19	17
Gamekeeper	205	215	219
Total	14,579	13,936	*13,594 *114
ESSEX.			
Farmer, grazier	3,614	3,083	2,984
Farmer's son, brother, grandson, nephew	1,017	863	757
Farm bailiff	852	1,012	867
Agricultural labourer	44,005	37,742	*34,382
Farm servant (indoor)	125		*511
Shepherd	463	436	429
Nurseryman, seedsman, florist, gardener‡	3,694	4,168	5,007
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	95	210	267
Drover	120	81	86
Gamekeeper	218	198	245
Total	54,203	47,793	*45,024 *511
GLOUCESTERSHIRE.			
Farmer, grazier	3,751	3,279	3,427
Farmer's son, brother, grandson, nephew	1,362	1,289	1,079
Farm bailiff	339	368	382
Agricultural labourer	19,288	18,650	*14,585
Farm servant (indoor)	1,928		*801
Shepherd	714	688	626
Nurseryman, seedsman, florist, gardener‡	3,815	4,336	4,886
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	40	87	90
Drover	80	105	86
Gamekeeper	224	218	253
Total	30,911	29,020	*25,414 *801

Appendix C.

Statement of the No. of Persons engaged, &c.—*cont.*

Occupations.	1871.	1881.	1891.
HAMPSHIRE.			
Farmer, grazier	3,302	2,961	2,926
Farmer's son, brother, grandson, nephew	879	831	870
Farm bailiff	476	597	531
Agricultural labourer	28,578	24,985	*19,137
Farm servant (indoor)	1,202		*2,992
Shepherd	1,396	1,481	1,299
Nurseryman, seedsman, florist, gardener‡	4,486	5,709	7,609
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	71	265	202
Drover	45	50	43
Gamekeeper	529	543	687
Total	40,984	37,422	*33,304 *2,992
HEREFORDSHIRE.			
Farmer, grazier	3,122	2,901	2,995
Farmer's son, brother, grandson, nephew	1,089	1,061	1,064
Farm bailiff	271	304	263
Agricultural labourer	9,285	11,123	*8,726
Farm servant (indoor)	2,539		*391
Shepherd	215	229	252
Nurseryman, seedsman, florist, gardener‡	860	1,114	1,261
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	22	44	67
Drover	9	4	11
Gamekeeper	189	150	182
Total	17,601	16,930	*14,821 *391
HERTFORDSHIRE.			
Farmer, grazier	1,621	1,308	1,288
Farmer's son, brother, grandson, nephew	521	442	376
Farm bailiff	354	391	356
Agricultural labourer	18,007	16,877	*15,580
Farm servant (indoor)	814		*172
Shepherd	585	525	492
Nurseryman, seedsman, florist, gardener‡	2,146	2,559	3,403
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	34	102	106
Drover	28	24	22
Gamekeeper	313	301	346
Total	24,423	22,529	*21,969 *172
HUNTINGDONSHIRE.			
Farmer, grazier	1,022	819	881
Farmer's son, brother, grandson, nephew	284	215	240
Farm bailiff	67	127	106
Agricultural labourer	8,254	6,782	*6,530
Farm servant (indoor)	165		*102
Shepherd	183	166	136
Nurseryman, seedsman, florist, gardener‡	398	434	494
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	14	53	55
Drover	67	22	23
Gamekeeper	36	33	36
Total	10,490	8,651	*8,501 *402

Statement of the No. of Persons engaged, &c.—*cont.*

Occupations.	1871.	1881.	1891.
KENT (extra Metropolitan).			
Farmer, grazier	4,655	4,068	3,859
Farmer's son, brother, grandson, nephew	1,339	1,256	1,111
Farm bailiff	1,273	1,329	1,263
Agricultural labourer	38,704	38,901	*35,049
Farm servant (indoor)	3,206		*1,304
Shepherd	922	953	959
Nurseryman, seedsman, florist, gardener‡	5,805	7,784	9,984
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	94	193	191
Drover	62	49	87
Gamekeeper	427	431	478
Total	56,487	54,964	*52,951 *1,304
LANCASHIRE.			
Farmer, grazier	16,003	14,823	13,255
Farmer's son, brother, grandson, nephew	6,071	5,525	4,880
Farm bailiff	410	590	529
Agricultural labourer	20,627	26,286	*23,489
Farm servant (indoor)	8,605		*701
Shepherd	124	115	99
Nurseryman, seedsman, florist, gardener‡	7,616	9,283	10,349
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	12	30	70
Drover	158	204	261
Gamekeeper	554	544	524
Total	60,180	57,400	*53,456 *701
LEICESTERSHIRE.			
Farmer, grazier	3,401	2,994	3,248
Farmer's son, brother, grandson, nephew	880	890	835
Farm bailiff	174	234	232
Agricultural labourer	12,179	12,758	*10,301
Farm servant (indoor)	2,184		*383
Shepherd	549	513	488
Nurseryman, seedsman, florist, gardener‡	1,353	1,615	2,067
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	42	85	86
Drover	84	40	60
Gamekeeper	164	147	148
Total	21,010	19,276	*17,465 *383
LINCOLNSHIRE.			
Farmer, grazier	10,871	9,470	9,302
Farmer's son, brother, grandson, nephew	2,851	2,625	2,571
Farm bailiff	1,215	1,161	1,441
Agricultural labourer	37,169	42,057	*39,223
Farm servant (indoor)	8,605		*1,403
Shepherd	1,547	1,593	1,335
Nurseryman, seedsman, florist, gardener‡	1,937	2,301	2,627
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	203	547	581
Drover	177	103	89
Gamekeeper	287	284	298
Total	64,962	60,141	*57,467 *1,403

Statement of the No. of Persons engaged, &c.—*cont.*

Occupations.	1871.	1881.	1891.
Middlesex (extra Metropolitan).			
Farmer, grazier	782	654	591
Farmer's son, brother, grandson, nephew	211	177	152
Farm bailiff	171	183	164
Agricultural labourer	6,295	6,367	*5,302
Farm servant (indoor)	222		*171
Shepherd	103	60	45
Nurseryman, seedsman, florist, gardener‡	5,448	6,756	8,883
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	4	20	20
Drover	72	54	54
Gamekeeper	66	79	69
Total	13,374	14,350	*15,278 *171
London.			
Farmer, grazier	715	358	278
Farmer's son, brother, grandson, nephew	74	64	32
Farm bailiff	67	64	37
Agricultural labourer	1,947	1,583	*1,039
Farm servant (indoor)	21		*62
Shepherd	36	25	20
Nurseryman, seedsman, florist, gardener‡	10,865	11,137	10,594
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	4	2	3
Drover	586	596	456
Gamekeeper	43	33	20
Total	14,358	13,362	*12,479 *62
Monmouthshire.			
Farmer, grazier	2,492	2,198	2,427
Farmer's son, brother, grandson, nephew	937	1,035	861
Farm bailiff	187	232	204
Agricultural labourer	3,732	4,784	*4,052
Farm servant (indoor)	1,552		*112
Shepherd	135	111	131
Nurserymen, seedsmen, florist, gardener‡	801	968	1,186
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	20	15	27
Drover	12	1	17
Gamekeeper	82	74	101
Total	9,950	9,418	*9,006 *112
Norfolk.			
Farmer, grazier	6,029	5,413	5,258
Farmer's son, brother, grandson, nephew	1,312	1,436	1,281
Farm bailiff	892	1,025	1,053
Agricultural labourer	41,269	39,331	*39,090
Farm servant (indoor)	351		496
Shepherd	1,186	1,122	987
Nurseryman, seedsman, florist, gardener‡	2,826	3,198	3,872
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	116	254	254
Drover	246	176	178
Gamekeeper	648	712	839
Total	54,875	52,672	*52,812 *496

Statement of the No. of Persons engaged, &c.—*cont.* Appendix C.

Occupations.	1871.	1881.	1891.
Northamptonshire.			
Farmer, grazier	2,763	2,170	2,287
Farmer's son, brother, grandson, nephew	802	622	536
Farm bailiff	224	286	294
Agricultural labourer	21,531	19,269	*16,377
Farm servant (indoor)	728		*431
Shepherd	925	834	758
Nurseryman, seedsman, florist, gardener‡	1,255	1,541	1,803
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	58	103	113
Drover	78	54	61
Gamekeeper	199	163	177
Total	29,563	25,042	*22,406 *431
Northumberland.			
Farmer, grazier	2,956	2,756	2,940
Farmer's son, brother, grandson, nephew	1,234	1,376	1,105
Farm bailiff	372	363	316
Agricultural labourer	8,303	8,349	*7,087
Farm servant (indoor)	1,711		*171
Shepherd	1,173	1,274	1,225
Nurseryman, seedsman, florist, gardener‡	1,306	1,535	1,787
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	49	51	52
Drover	23	42	83
Gamekeeper	326	383	466
Total	17,453	16,199	* 15,061 *171
Nottinghamshire.			
Farmer, grazier	3,812	3,413	3,401
Farmer's son, brother, grandson, nephew	1,087	1,060	1,072
Farm bailiff	378	426	413
Agricultural labourer	11,309	13,312	*12,028
Farm servant (indoor)	3,350		*351
Shepherd	491	298	279
Nurseryman, seedsman, florist, gardener‡	1,688	2,078	2,494
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	62	125	120
Drover	35	34	30
Gamekeeper	318	295	288
Total	22,530	21,041	*20,125 *351
Oxfordshire.			
Farmer, grazier	2,121	1,652	1,719
Farmer's son, brother, grandson, nephew	672	520	568
Farm bailiff	221	291	269
Agricultural labourer	18,771	17,084	*14,151
Farm servant (indoor)	534		*645
Shepherd	875	923	765
Nurseryman, seedsman, florist, gardener‡	1,399	1,745	2,128
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	43	83	74
Drover	31	13	17
Gamekeeper	184	175	206
Total	24,851	22,386	*19,896 *645

Appendix C.

Statement of the No. of Persons engaged, &c.—*cont.*

Occupations.	1871.	1881.	1891.
RUTLAND.			
Farmer, grazier	531	492	487
Farmer's son, brother, grandson, nephew	175	152	126
Farm bailiff	22	32	35
Agricultural labourer	2,285	2,501	*1,887
Farm servant (indoor)	227		*68
Shepherd	166	160	135
Nurseryman, seedsman, florist, gardener‡	152	180	217
Horsekeeper	—	—	—
Agricultural machine proprietor, attendant	4	18	12
Drover	8	4	4
Gamekeeper	37	41	43
Total	3,607	3,580	*2,946 *68
SHROPSHIRE.			
Farmer, grazier	5,315	4,946	5,160
Farmer's son, brother, grandson, nephew	1,829	1,918	1,840
Farm bailiff	449	458	385
Agricultural labourer	14,233	18,159	*15,712
Farm servant (indoor)	5,818		*820
Shepherd	263	325	381
Nurseryman, seedsman, florist, gardener‡	1,616	1,875	2,183
Horsekeeper	—	—	—
Agricultural machine proprietor, attendant	56	87	88
Drover	19	20	44
Gamekeeper	433	434	481
Total	30,031	23,126	*26,274 *820
SOMERSETSHIRE.			
Farmer, grazier	7,651	7,078	7,170
Farmer's son, brother, grandson, nephew	3,213	2,724	2,432
Farm bailiff	277	387	365
Agricultural labourer	27,543	26,479	*21,286
Farm servant (indoor)	2,213		*683
Shepherd	589	544	503
Nurseryman, seedsman, florist, gardener‡	3,743	4,287	4,824
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	21	82	20
Drover	70	74	82
Gamekeeper	300	336	323
Total	45,620	41,991	*37,065 *683
STAFFORDSHIRE.			
Farmer, grazier	5,911	5,656	5,642
Farmer's son, brother, grandson, nephew	1,836	1,797	1,747
Farm bailiff	352	393	360
Agricultural labourer	13,786	15,666	*13,244
Farm servant (indoor)	4,357		*849
Shepherd	254	256	258
Nurseryman, seedsman, florist, gardener‡	2,675	3,280	3,687
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	71	67	58
Drover	51	53	65
Gamekeeper	333	300	288
Total	29,626	27,468	*25,299 *849

Statement of the No. of Persons engaged, &c.—*cont.*

Occupations.	1871.	1881.	1891.
SUFFOLK.			
Farmer, grazier	4,654	4,026	3,724
Farmer's son, brother, grandson, nephew	1,301	1,164	1,042
Farm bailiff	746	934	908
Agricultural labourer	38,856	35,515	*33,643
Farm servant (indoor)	233		*552
Shepherd	733	769	774
Nurseryman, seedsman, florist, gardener‡	2,195	2,581	3,049
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	92	224	235
Drover	91	71	90
Gamekeeper	457	512	648
Total	49,358	45,796	*44,113 *552
SURREY. (Extra-metropolitan.)			
Farmer, grazier	1,638	1,275	1,160
Farmer's son, brother, grandson, nephew	485	377	391
Farm bailiff	354	485	438
Agricultural labourer	14,637	13,646	*11,698
Farm servant (indoor)	722		*810
Shepherd	336	290	298
Nurseryman, seedsman, florist, gardener‡	6,926	8,953	11,787
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	41	41	41
Drover	33	34	42
Gamekeeper	300	351	383
Total	25,472	25,452	*26,238 *810
SUSSEX.			
Farmer, grazier	3,881	3,388	3,320
Farmer's son, brother, grandson, nephew	1,133	1,102	1,079
Farm bailiff	685	796	767
Agricultural labourer	31,006	28,654	*23,926
Farm servant (indoor)	1,366		*2,037
Shepherd	947	964	989
Nurseryman, seedsman, florist, gardener‡	4,189	5,637	7,861
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	95	157	173
Drover	35	37	54
Gamekeeper	550	549	621
Total	43,887	41,284	*38,790 *2,037
WARWICKSHIRE.			
Farmer, grazier	3,374	3,087	3,156
Farmer's son, brother, grandson, nephew	966	823	802
Farm bailiff	316	393	342
Agricultural labourer	16,748	16,851	*13,819
Farm servant (indoor)	1,930		*689
Shepherd	637	588	599
Nurserymen, seedsman, florist, gardener‡	2,793	3,434	3,751
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	50	79	96
Drover	101	86	77
Gamekeeper	191	191	172
Total	27,109	25,532	*22,814 *689

Statement of the No. of Persons engaged, &c.—*cont.*

Occupations.	1871.	1881.	1891.
WESTMORELAND.			
Farmer, grazier	2,443	2,379	2,380
Farmer's son, brother, grandson, nephew	976	1,130	991
Farm bailiff	72	81	68
Agricultural labourer	1,415	2,994	*2,626
Farm servant (indoor)	1,945		*53
Shepherd	51	77	87
Nurseryman, seedsman, florist, gardener‡	418	487	535
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	—	2	4
Drover	2	4	—
Gamekeeper	76	88	103
Total	7,398	7,242	*6,794 *53
WILTSHIRE.			
Farmer, grazier	2,977	2,809	3,060
Farmer's son, brother, grandson, nephew	993	962	923
Farm bailiff	270	378	326
Agricultural labourer	24,016	21,611	*17,615
Farm servant (indoor)	350		*1,283
Shepherd	1,385	1,277	1,231
Nurseryman, seedsman, florist, gardener‡	1,884	2,097	2,299
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	50	131	134
Drover	31	17	23
Gamekeeper	304	284	346
Total	32,260	29,256	*25,957 *1,258
WORCESTERSHIRE.			
Farmer, grazier	2,669	2,450	2,370
Farmer's son, brother, grandson, nephew	851	706	702
Farm bailiff	310	335	308
Agricultural labourer	12,802	13,620	*11,653
Farm servant (indoor)	1,273		*441
Shepherd	267	247	211
Nurseryman, seedsman, florist, gardener‡	2,936	3,900	5,079
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	33	55	63
Drover	25	40	39
Gamekeeper	139	150	145
Total	21,305	21,503	*20,570 *441
YORKSHIRE.			
Farmer, grazier	28,409	25,232	34,939
Farmer's son, brother, grandson, nephew	7,860	8,339	7,410
Farm bailiff	1,277	1,815	1,510
Agricultural labourer	39,305	58,738	50,642
Farm servant (indoor)	21,923		*737
Shepherd	1,155	1,391	1,370
Nurseryman, seedsman, florist, gardener‡	8,500	10,627	12,496
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	223	282	369
Drover	167	136	236
Gamekeeper	1,208	1,197	1,156
Total	110,027	107760	*100,119 *737

Statement of the No. of Persons engaged, &c.—*cont.* Appendix C.

WALES.

Occupations.	1871.	1881.	1891.
ANGLESEY.			
Farmer, grazier	1,528	1,448	1,422
Farmer's son, brother, grandson, nephew	497	557	388
Farm bailiff	11	29	26
Agricultural labourer	1,198	2,233	*2,487
Farm servant (indoor)	1,190		*40
Shepherd	2	1	5
Nurseryman, seedsman, florist, gardener‡	58	70	65
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	—	8	3
Drover	12	2	3
Gamekeeper	25	43	49
Total	4,521	4,391	*4,448 *40
BRECKNOCKSHIRE.			
Farmer, grazier	2,118	1,938	1,938
Farmer's son, brother, grandson, nephew	1,057	1,092	968
Farm bailiff	97	86	82
Agricultural labourer	1,776	2,561	*2,366
Farm servant (indoor)	1,571		*75
Shepherd	144	147	136
Nurseryman, seedsman, florist, gardener‡	225	260	298
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	5	9	16
Drover	6	1	7
Gamekeeper	87	72	88
Total	7,086	6,166	*5,899 *75
CARMARTHENSHIRE.			
Farmer, grazier	4,041	3,798	3,663
Farmer's son, brother, grandson, nephew	1,754	1,799	1,655
Farm bailiff	41	65	89
Agricultural labourer	1,708	3,242	*3,211
Farm servant (indoor)	2,293		*14
Shepherd	29	20	27
Nurseryman, seedsman, florist, gardener‡	194	248	270
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	—	—	—
Drover	16	4	1
Gamekeeper	62	62	66
Total	10,138	9,238	*8,982 *14
CARNARVONSHIRE.			
Farmer, grazier	3,137	2,925	2,914
Farmer's son, brother, grandson, nephew	1,085	1,108	806
Farm bailiff	61	68	107
Agricultural labourer	2,333	4,602	*4,696
Farm servant (indoor)	2,432		*61
Shepherd	41	53	73
Nurseryman, seedsman, florist, gardener‡	363	487	645
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	3	19	16
Drover	8	—	6
Gamekeeper	103	137	119
Total	9,566	9,399	*3,382 *61

Appendix C.

Statement of the No. of Persons engaged, &c.—*cont.*

Occupations.	1871.	1881.	1891.
CARDIGANSHIRE.			
Farmer, grazier	4,780	4,480	4,354
Farmer's son, brother, grandson, nephew	1,997	2,135	1,885
Farm bailiff	75	64	55
Agricultural labourer	2,305	4,596	*4,261
Farm servant (indoor)	3,012		*24
Shepherd	120	131	112
Nurseryman, seedsman, florist, gardener‡	130	172	195
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	3	5	5
Drover	14	5	2
Gamekeeper	74	63	60
Total	12,510	11,651	*10,929 *24
DENBIGHSHIRE.			
Farmer, grazier	3,018	2,688	2,742
Farmer's son, brother, grandson, nephew	1,076	1,139	967
Farm bailiff	124	137	126
Agricultural labourer	2,909	4,867	*4,448
Farm servant (indoor)	2,506		*208
Shepherd	67	80	88
Nurseryman, seedsman, florist, gardener‡	574	709	747
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	—	16	23
Drover	6	5	6
Gamekeeper	162	176	174
Total	10,442	9,817	*9,316 *208
FLINTSHIRE.			
Farmer, grazier	713	669	721
Farmer's son, brother, grandson, nephew	263	259	235
Farm bailiff	34	53	41
Agricultural labourer	831	1,126	*983
Farm servant (indoor)	480		*56
Shepherd	20	19	14
Nurseryman, seedsman, florist, gardener‡	146	166	157
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	1	1	1
Drover	—	—	1
Gamekeeper	48	48	42
Total	2,536	2,341	*2,196 *56
GLAMORGANSHIRE.			
Farmer, grazier	3,178	2,853	2,864
Farmer's son, brother, grandson, nephew	1,335	1,399	1,053
Farm bailiff	165	177	213
Agricultural labourer	2,809	4,275	*3,916
Farm servant (indoor)	1,992		*66
Shepherd	107	98	105
Nurseryman, seedsman, florist, gardener‡	931	1,237	1,654
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	3	3	2
Drover	13	11	20
Gamekeeper	106	119	139
Total	10,639	10,173	*9,966 *66

Statement of the No. of Persons engaged, &c.—*cont.*

Occupations.	1871.	1881.	1891.
MERIONETHSHIRE.			
Farmer, grazier	2,720	2,474	2,433
Farmer's son, brother, grandson, nephew	1,118	1,176	754
Farm bailiff	60	52	58
Agricultural labourer	1,289	2,843	*2,872
Farm servant (indoor)	2,038		*132
Shepherd	53	84	133
Nurseryman, seedsman, florist, gardener‡	174	222	277
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	7	6	7
Drover	4	4	1
Gamekeeper	83	113	131
Total	7,546	6,974	*6,666 *132
MONTGOMERYSHIRE.			
Farmer, grazier	3,690	3,357	3,381
Farmer's son, brother, grandson, nephew	1,679	1,770	1,667
Farm bailiff	178	133	121
Agricultural labourer	2,173	5,073	*4,284
Farm servant (indoor)	3,488		*246
Shepherd	78	105	122
Nurseryman, seedsman, florist, gardener‡	273	303	334
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	20	19	31
Drover	6	8	6
Gamekeeper	94	110	127
Total	11,679	10,878	*9,973 *246
PEMBROKESHIRE.			
Farmer, grazier	2,596	2,463	2,500
Farmer's son, brother, grandson, nephew	946	985	868
Farm bailiff	37	44	49
Agricultural labourer	2,485	3,867	*3,738
Farm servant (indoor)	1,920		*22
Shepherd	16	16	23
Nurseryman, seedsman, florist, gardener‡	194	234	269
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	—	—	4
Drover	—	3	5
Gamekeeper	41	46	47
Total	8,235	7,658	*7,503 *22
RADNORSHIRE.			
Farmer, grazier	1,159	998	1,026
Farmer's son, brother, grandson, nephew	604	556	415
Farm bailiff	57	44	49
Agricultural labourer	1,154	1,611	*1,425
Farm servant (indoor)	969		*78
Shepherd	64	76	69
Nurseryman, seedsman, florist, gardener‡	58	85	95
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	—	3	8
Drover	12	4	—
Gamekeeper	35	33	33
Total	4,112	3,410	*3,120 *78

SUMMARY STATEMENT of the NUMBERS of PERSONS engaged in the under-mentioned occupations (principally agricultural) in SCOTLAND, according to the CENSUS RETURNS of 1871, 1881, and 1891.

SCOTLAND.

Occupations.	1871.	1881.	1891.
Farmer, grazier	48,396	48,116	47,525
Farmer's son, brother, grandson, nephew	19,580	16,191	17,081
Farm bailiff	2,915	3,518	3,248
Agricultural labourer	70,924	91,801	*85,054
Farm servant (indoor)	40,115		*312
Shepherd	8,352	10,274	10,104
Nurseryman, seedsman, florist, gardener‡	12,291	14,934	16,122
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	—	156	198
Drover	200	314	336
Gamekeeper	3,505	4,246	4,589
Total	206,278	189550	*184,257 *312

STATEMENT of the NUMBERS of PERSONS engaged in the undermentioned occupations (principally agricultural) in the different CIVIL COUNTIES of SCOTLAND, according to the CENSUS RETURNS of 1871, 1881, and 1891.

SCOTLAND.

Occupations.	1871.	1881.	1891.
ABERDEENSHIRE.			
Farmer, grazier	8,151	7,686	6,951
Farmer's son, brother, grandson, nephew	2,838	2,317	2,740
Farm bailiff	378	351	347
Agricultural labourer	5,686	13,567	*13,697
Farm servant (indoor)	9,741		*25
Shepherd	175	380	551
Nurseryman, seedsman, florist, gardener‡	970	1,115	1,242
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	—	—	58
Drover	18	16	22
Gamekeeper	264	320	322
Total	28,221	25,752	*25,930 *25
ARGYLLSHIRE.			
Farmer, grazier	2,082	2,187	1,989
Farmer's son, brother, grandson, nephew	1,100	847	857
Farm bailiff	124	153	141
Agricultural labourer	2,522	3,968	*3,015
Farm servant (indoor)	2,129		*5
Shepherd	977	1,220	1,033
Nurseryman, seedsman, florist, gardener‡	477	602	596
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	—	1	4
Drover	7	5	8
Gamekeeper	223	339	327
Total	9,641	9,322	*7,970 *5

Statement of the No. of Persons engaged, &c.—*cont.*

Occupations.	1871.	1881.	1891.
AYRSHIRE.			
Farmer, grazier	2,412	2,315	2,196
Farmer's son, brother, grandson, nephew	1,457	1,242	1,151
Farm bailiff	69	105	94
Agricultural labourer	2,497	4,050	*3,742
Farm servant (indoor)	2,207		*9
Shepherd	347	396	384
Nurserymen, seedsman, florist, gardener‡	621	859	1,019
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	—	7	9
Drover	11	14	30
Gamekeeper	184	202	202
Total	9,805	9,190	*8,827 *9
BERWICKSHIRE.			
Farmer, grazier	476	464	468
Farmer's son, brother, grandson, nephew	191	188	201
Farm bailiff	177	193	187
Agricultural labourer	3,115	3,035	*2,807
Farm servant (indoor)	313		*—
Shepherd	354	418	391
Nurseryman, seedsman, florist, gardener‡	234	253	275
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	—	7	5
Drover	2	1	2
Gamekeeper	92	78	111
Total	4,954	4,637	*4,447 *—
BANFFSHIRE.			
Farmer, grazier	2,389	2,251	2,285
Farmer's son, brother, grandson, nephew	806	698	612
Farm bailiff	70	95	67
Agricultural labourer	1,677	3,485	*3,636
Farm servant (indoor)	2,503		*—
Shepherd	44	116	150
Nurseryman, seedsman, florist, gardener‡	125	131	143
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	—	18	—
Drover	4	—	—
Gamekeeper	82	98	112
Total	7,700	6,892	*7,005 *—
BUTESHIRE.			
Farmer, grazier	439	389	386
Farmer's son, brother, grandson, nephew	212	211	202
Farm bailiff	5	4	6
Agricultural labourer	208	544	*524
Farm servant (indoor)	492		*—
Shepherd	20	47	47
Nurseryman, seedsman, florist, gardener‡	123	150	159
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	—	—	—
Drover	—	—	—
Gamekeeper	20	26	22
Total	1,519	1,371	*1,246 *—

Appendix C

Statement of the No. of Persons engaged, &c.—*cont.*

Occupations.	1871.	1881.	1891.
CAITHNESS.			
Farmer, grazier	1,829	1,681	1,842
Farmer's son, brother, grandson, nephew	558	417	394
Farm bailiff	51	115	68
Agricultural labourer	1,397	1,758	*1,588
Farm servant (indoor)	720		*3
Shepherd	236	231	222
Nurseryman, seedsman, florist, gardener‡	52	71	52
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	—	1	—
Drover	—	1	1
Gamekeeper	35	61	61
Total	4,878	4,336	*4,228 *3
CLACKMANNAN.			
Farmer, grazier	60	67	105
Farmer's son, brother, grandson, nephew	25	24	49
Farm bailiff	11	18	11
Agricultural labourer	307	292	*271
Farm servant (Indoor)	44		*—
Shepherd	17	15	17
Nurseryman, seedsman, florist, gardener‡	73	100	106
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	—	—	—
Drover	—	3	1
Gamekeeper	14	19	25
Total	551	538	*585 *—
ROSS AND CROMARTY.			
Farmer, grazier	4,542	4,396	4,281
Farmer's son, brother, grandson, nephew	1,236	939	1,159
Farm bailiff	203	199	168
Agricultural labourer	3,569	3,124	*2,939
Farm servant (indoor)	2,069		*4
Shepherd	522	668	577
Nurseryman, seedsman, florist, gardener‡	213	256	283
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	—	9	6
Drover	—	73	4
Gamekeeper	234	268	326
Total	12,588	9,932	*9,743 *4
DUMBARTONSHIRE.			
Farmer, grazier	366	346	315
Farmer's son, brother, grandson, nephew	210	207	204
Farm bailiff	26	27	29
Agricultural labourer	671	1,015	*830
Farm servant (indoor)	559		*8
Shepherd	63	88	91
Nurseryman, seedsman, florist, gardener‡	558	752	799
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	—	1	2
Drover	—	—	—
Gamekeeper	56	69	83
Total	2,509	2,505	*2,353 *8

Statement of the No. of Persons engaged, &c.—*cont.*

Occupations.	1871.	1881.	1891.
DUMFRIESSHIRE.			
Farmer, grazier	1,435	1,388	1,389
Farmer's son, brother, grandson, nephew	827	655	721
Farm bailiff	57	96	91
Agricultural labourer	2,448	3,366	*3,052
Farm servant (indoor)	1,520		*17
Shepherd	611	676	649
Nurseryman, seedsman, florist, gardener‡	396	465	505
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	—	2	—
Drover	11	10	12
Gamekeeper	150	172	191
Total	7,455	6,830	*6,610 *17
EDINBURGHSHIRE.			
Farmer, grazier	492	475	495
Farmer's son, brother, grandson, nephew	166	142	187
Farm bailiff	139	154	148
Agricultural labourer	2,653	2,963	*2,651
Farm servant (indoor)	242		*65
Shepherd	224	238	234
Nurseryman, seedsman, florist, gardener‡	1,673	1,968	1,788
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	—	1	2
Drover	29	29	38
Gamekeeper	67	83	90
Total	5,685	6,053	*5,633 *65
FIFESHIRE.			
Farmer, grazier	1,107	1,037	1,473
Farmer's son, brother, grandson, nephew	337	286	319
Farm bailiff	118	150	92
Agricultural labourer	5,734	5,250	*4,831
Farm servant (indoor)	482		*17
Shepherd	156	214	334
Nurseryman, seedsman, florist, gardener‡	598	730	1,103
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	—	14	14
Drover	7	—	18
Gamekeeper	92	120	118
Total	8,631	7,801	*8,302 *17
FORFARSHIRE.			
Farmer, grazier	1,573	1,507	1,550
Farmer's son, brother, grandson, nephew	525	480	420
Farm bailiff	55	188	220
Agricultural labourer	5,955	5,827	*5,771
Farm servant (indoor)	476		*20
Shepherd	298	323	308
Nurseryman, seedsman, florist, gardener‡	931	1,059	1,050
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	—	33	—
Drover	13	18	34
Gamekeeper	189	192	205
Total	10,015	9,627	*9,558 *20

Statement of the No. of Persons engaged, &c.—*cont.*

Occupations.	1871.	1881.	1891.
HADDINGTONSHIRE.			
Farmer, grazier	272	249	230
Farmer's son, brother, grandson, nephew	74	82	92
Farm bailiff	183	151	184
Agricultural labourer	3,144	3,062	*2,626
Farm servant (indoor)	40		*1
Shepherd	174	224	236
Nurseryman, seedsman, florist, gardener‡	293	416	488
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	—	9	7
Drover	2	—	1
Gamekeeper	79	88	95
Total	4,261	4,281	*3,959 *
INVERNESS-SHIRE.			
Farmer, grazier	4,057	4,245	4,860
Farmer's son, brother, grandson, nephew	1,718	1,138	1,349
Farm bailiff	186	194	184
Agricultural labourer	3,302	3,509	*3,465
Farm servant (indoor)	2,115		*7
Shepherd	770	941	978
Nurseryman, seedsman, florist, gardener‡	291	373	418
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	—	1	1
Drover	1	4	8
Gamekeeper	297	391	453
Total	12,737	10,796	*11,716 *7
KINCARDINESHIRE.			
Farmer, grazier	1,197	1,159	941
Farmer's son, brother, grandson, nephew	412	388	421
Farm bailiff	94	76	82
Agricultural labourer	1,670	2,756	*2,720
Farm servant (indoor)	1,390		*2
Shepherd	70	78	109
Nurseryman, seedsman, florist, gardener‡	167	234	219
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	—	14	8
Drover	1	—	—
Gamekeeper	69	89	93
Total	5,070	4,794	*4,593 *
KINROSS-SHIRE.			
Farmer, grazier	164	162	169
Farmer's son, brother, grandson, nephew	50	50	59
Farm bailiff	12	8	13
Agricultural labourer	567	472	*371
Farm servant (indoor)	106		*—
Shepherd	35	46	41
Nurseryman, seedsman, florist, gardener‡	23	38	26
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	—	—	—
Drover	1	1	2
Gamekeeper	9	13	21
Total	967	790	*702 *—

Statement of the No. of Persons engaged. &c.—*cont.*

Occupations.	1871.	1881.	1891.
KIRKCUDBRIGHT.			
Farmer, grazier	950	893	939
Farmer's son, brother, grandson, nephew	441	368	359
Farm bailiff	55	79	67
Agricultural labourer	1,903	2,402	*2,420
Farm servant (indoor)	1,146		*11
Shepherd	393	507	482
Nurseryman, seedsman, florist, gardener‡	238	264	310
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	—	2	—
Drover	10	8	10
Gamekeeper	128	170	166
Total	5,264	4,693	*4,752 *11
LANARKSHIRE.			
Farmer, grazier	2,030	2,027	2,037
Farmer's son, brother, grandson, nephew	1,203	984	815
Farm bailiff	70	139	122
Agricultural labourer	2,774	3,767	*3,325
Farm servant (indoor)	1,911		*64
Shepherd	228	279	296
Nurseryman, seedsman, florist, gardener‡	1,117	1,320	1,479
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	—	3	6
Drover	59	70	102
Gamekeeper	138	155	171
Total	9,530	8,744	*8,353 *64
LINLITHGOWSHIRE.			
Farmer, grazier	327	318	294
Farmer's son, brother, grandson, nephew	138	139	159
Farm bailiff	33	45	35
Agricultural labourer	897	957	*831
Farm servant (indoor)	374		*1
Shepherd	21	32	40
Nurseryman, seedsman, florist, gardener‡	117	142	147
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	—	2	2
Drover	1	—	—
Gamekeeper	22	29	32
Total	1,930	1,664	*1,540 *1
MORAY OR ELGIN.			
Farmer, grazier	1,262	1,206	1,054
Farmer's son, brother, grandson, nephew	485	384	333
Farm bailiff	85	104	92
Agricultural labourer	1,542	2,510	*2,176
Farm servant (indoor)	1,536		*—
Shepherd	125	186	190
Nurseryman, seedsman, florist, gardener‡	226	267	280
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	—	4	24
Drover	—	—	1
Gamekeeper	86	115	115
Total	5,347	4,776	*4,265 *—

endix C. Statement of the No. of Persons engaged, &c.—*cont.*

Occupations.	1871.	1881.	1891.
NAIRNSHIRE.			
Farmer, grazier	235	226	241
Farmer's son, brother, grandson, nephew	115	105	110
Farm bailiff	31	22	25
Agricultural labourer	406	487	*574
Farm servant (indoor)	360		*3
Shepherd	29	82	69
Nurseryman, seedsman, florist, gardener‡	35	51	73
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	—	1	8
Drover	3	12	1
Gamekeeper	20	24	30
Total	1,234	1,010	*1,131 *3
ORKNEY.			
Farmer, grazier	2,507	2,480	2,723
Farmer's son, brother, grandson, nephew	1,008	965	1,112
Farm bailiff	97	93	51
Agricultural labourer	761	1,583	*1,396
Farm servant (indoor)	1,050		*—
Shepherd	32	27	23
Nurseryman, seedsman, florist, gardener‡	17	21	18
Horsekeeper*	—	—	—
Agricultural machine proprietor, attendant	—	—	—
Drover	—	—	—
Gamekeeper	3	1	2
Total	5,475	5,170	*5,325 *—
PEEBLESSHIRE.			
Farmer, grazier	173	184	190
Farmer's son, brother, grandson, nephew	78	47	72
Farm bailiff	36	52	49
Agricultural labourer	491	639	*650
Farm servant (indoor)	355		*—
Shepherd	189	232	217
Nurseryman, seedsman, florist, gardener‡	116	130	107
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	—	5	—
Drover	—	3	—
Gamekeeper	40	53	65
Total	1,478	1,345	*1,350 *—
PERTHSHIRE.			
Farmer, grazier	2,560	2,479	2,300
Farmer's son, brother, grandson, nephew	929	934	907
Farm bailiff	172	253	257
Agricultural labourer	6,105	6,280	*5,215
Farm servant (indoor)	2,390		*15
Shepherd	648	801	799
Nurseryman, seedsman, florist, gardener‡	893	1,132	1,262
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	—	4	18
Drover	4	25	16
Gamekeeper	474	523	548
Total	14,175	12,431	*11,262 *15

Statement of the No. of Persons engaged, &c.—*cont.*

Occupations.	1871.	1881.	1891.
RENFREWSHIRE.			
Farmer, grazier	781	750	768
Farmer's son, brother, grandson, nephew	494	415	420
Farm bailiff	21	40	33
Agricultural labourer	1,350	1,851	*1,514
Farm servant (indoor)	677		*2
Shepherd	42	45	35
Nurseryman, seedsman, florist, gardener‡	663	750	831
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	—	—	—
Drover	1	—	7
Gamekeeper	67	73	81
Total	4,096	3,925	*3,689 *2
ROXBURGHSHIRE.			
Farmer, grazier	512	558	549
Farmer's son, brother, grandson, nephew	224	183	202
Farm bailiff	183	163	187
Agricultural labourer	2,518	2,564	*2,511
Farm servant (indoor)	332		*7
Shepherd	611	705	629
Nurseryman, seedsman, florist, gardener‡	383	401	419
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	—	5	18
Drover	4	3	6
Gamekeeper	89	111	122
Total	4,856	4,693	*4,644 *7
SELKIRKSHIRE.			
Farmer, grazier	125	106	118
Farmer's son, brother, grandson, nephew	36	26	50
Farm bailiff	33	30	25
Agricultural labourer	418	451	*411
Farm servant (indoor)	129		*4
Shepherd	218	244	210
Nurseryman, seedsman, florist, gardener‡	109	150	185
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	—	—	—
Drover	2	1	3
Gamekeeper	29	35	38
Total	1,099	1,043	*1,035 *4
SHETLAND.			
Farmer, grazier	772	1,709	1,232
Farmer's son, brother, grandson, nephew	1,191	321	449
Farm bailiff	9	8	10
Agricultural labourer	234	384	*220
Farm servant (indoor)	136		*2
Shepherd	24	54	57
Nurseryman, seedsman, florist, gardener‡	3	6	11
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	—	—	—
Drover	—	—	—
Gamekeeper	—	—	—
Total	2,370	2,482	*1,979 *2

Appendix C.

Statement of the No. of Persons engaged, &c.—*cont.*

Occupations.	1871.	1881.	1891.
STIRLINGSHIRE.			
Farmer, grazier	888	887	841
Farmer's son, brother, grandson, nephew	499	371	370
Farm bailiff	32	64	57
Agricultural labourer	1,283	1,990	*1,702
Farm servant (indoor)	1,056		*7
Shepherd	134	155	175
Nurseryman, seedsman, florist, gardener‡	360	471	526
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	5	3	5
Drover	1	5	2
Gamekeeper	99	113	118
Total	4,357	4,059	*3,796 *7
SUTHERLAND.			
Farmer, grazier	1,280	1,367	1,532
Farmer's son, brother, grandson, nephew	386	273	295
Farm bailiff	41	77	58
Agricultural labourer	878	860	*752
Farm servant (indoor)	571		*—
Shepherd	447	426	315
Nurseryman, seedsman, florist, gardener‡	43	60	52
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	—	2	—
Drover	4	7	5
Gamekeeper	50	95	122
Total	3,700	3,167	*3,131 *—

Statement of the No. of Persons engaged &c.—*cont.*

Occupations.	1871.	1881.	1891.
WIGTOWNSHIRE.			
Farmer, grazier	951	922	788
Farmer's son, brother, grandson, nephew	476	365	293
Farm bailiff	59	72	48
Agricultural labourer	2,242	3,033	*2,818
Farm servant (indoor)	944		*13
Shepherd	118	180	215
Nurseryman, seedsman, florist, gardener‡	153	197	211
Horsekeeper†	—	—	—
Agricultural machine proprietor, attendant	—	6	—
Drover	3	5	2
Gamekeeper	104	121	122
Total	5,050	4,901	*4,497 *13

Appendix D.

APPENDIX D.

INCOME TAX.

An Account of the Gross Assessments under Schedules A., B., and D., in each County of Great Britain for each of the Years 1874–75, 1879–80, and 1892–93.

County.	1874-75.			1879-80.			1892-93.		
	Schedule A.	Schedule B.	Schedule D.	Schedule A.	Schedule B.	Schedule D.	Schedule A.	Schedule B.	Schedule D.
	£	£	£	£	£	£	£	£	£
Bedford	824,534	501,462	422,597	876,280	510,509	470,300	906,731	392,553	547,304
Berks	1,366,545	706,103	979,445	1,422,878	709,901	1,084,043	1,489,633	521,343	1,309,781
Bucks	1,202,194	804,484	552,984	1,240,935	810,686	525,420	1,166,567	650,151	623,080
Cambridge	1,445,080	1,050,361	762,243	1,528,066	1,088,778	774,807	1,320,211	791,108	888,472
Chester	2,956,041	1,150,280	2,788,104	3,387,053	1,260,435	2,617,848	3,874,764	1,153,393	3,376,664
Cornwall	1,374,126	895,123	1,056,928	1,451,545	946,341	727,154	1,468,940	914,854	906,823
Cumberland	1,211,408	782,125	2,165,832	1,404,167	839,915	1,444,556	1,451,115	773,005	1,488,984
Derby	1,801,588	964,493	5,103,096	2,151,551	992,942	4,898,568	2,323,807	858,356	6,925,277
Devon	3,325,224	1,940,414	2,414,682	3,586,296	2,018,815	2,009,724	3,838,926	1,823,946	2,321,364
Dorset	1,199,169	816,556	539,416	1,276,595	858,463	552,191	1,185,362	682,535	637,174
Durham	2,381,148	647,880	7,002,328	2,973,271	606,928	4,744,561	3,344,146	577,381	6,402,082
Essex	2,083,974	1,738,815	1,757,777	3,406,007	1,736,559	1,897,430	4,011,044	1,139,930	2,905,501
Gloucester	2,779,729	1,351,125	2,047,611	3,033,589	1,362,770	1,927,972	2,937,197	1,080,094	2,819,826
Hereford	1,054,636	809,969	280,625	1,069,570	828,195	291,990	915,595	854,094	328,218
Hertford	1,224,544	633,933	735,269	1,301,080	630,520	739,111	1,305,856	568,598	889,333
Huntingdon	496,247	383,553	210,497	508,448	388,729	214,522	389,175	267,327	225,425
Kent	5,276,054	1,858,998	3,898,727	6,047,119	1,954,830	4,334,561	7,039,147	1,519,416	5,048,917
Lancaster	14,268,407	1,798,433	38,305,942	17,604,822	1,887,400	33,329,788	20,048,727	1,724,969	44,097,447
Leicester	1,734,165	1,045,846	1,269,538	2,010,180	1,059,487	1,340,269	2,076,222	867,723	1,909,497
Lincoln	3,873,470	3,068,572	1,665,486	4,120,066	3,168,043	1,686,162	3,456,222	2,283,578	1,825,110
Middlesex	20,645,183	437,416	79,132,991	24,193,852	448,246	80,142,428	31,642,739	361,491	137,780,814
Monmouth	738,909	343,334	1,806,025	858,077	365,893	724,794	948,967	315,428	1,329,210
Norfolk	2,944,387	2,053,657	1,449,438	3,090,585	2,108,125	1,585,924	2,690,416	1,576,110	1,869,806
Northampton	1,664,812	1,158,833	901,724	1,794,879	1,170,999	1,020,501	1,736,350	872,285	1,299,512
Northumberland	2,084,216	1,082,010	3,874,149	2,514,201	1,131,620	3,068,645	2,629,945	897,154	4,511,468
Nottingham	1,746,053	909,544	2,148,395	2,053,140	884,785	1,956,240	2,276,091	652,872	2,906,572
Oxford	1,242,768	781,048	716,830	1,338,603	781,140	721,491	1,231,442	572,191	908,180
Rutland	201,219	165,559	60,359	209,102	166,970	65,382	173,408	125,779	64,226
Salop	1,645,894	1,204,995	1,200,726	1,746,945	1,251,077	1,012,875	1,604,385	1,074,497	942,306
Somerset	3,470,490	2,017,458	3,828,661	3,700,734	2,059,568	3,346,114	3,635,180	1,743,840	4,208,008
Southampton	2,745,901	1,136,202	2,221,713	3,134,215	1,162,521	2,473,126	3,689,255	879,724	3,008,630
Stafford	3,430,172	1,243,628	6,473,025	4,088,143	1,293,602	5,636,058	4,436,429	1,072,516	6,221,944
Suffolk	2,203,381	1,455,440	1,173,272	2,316,190	1,489,019	1,145,266	1,946,219	1,005,891	1,357,770
Surrey	6,709,728	615,268	9,356,052	8,288,832	655,063	10,963,192	11,053,976	546,024	14,423,978
Sussex	2,923,845	1,088,840	1,982,248	3,525,273	1,168,889	2,517,548	4,008,872	944,999	2,699,826
Warwick	3,580,571	1,066,316	5,581,147	4,028,731	1,037,916	5,435,907	4,321,854	769,401	6,721,894
Westmoreland	462,653	330,000	314,182	520,364	363,624	282,917	528,406	338,841	290,916
Wilts	1,739,742	1,267,849	906,343	1,815,197	1,270,595	836,856	1,508,569	883,830	955,919
Worcester	1,808,579	924,185	2,057,346	2,029,894	916,445	1,769,163	2,046,708	712,143	2,031,731
York	12,874,360	4,775,356	24,013,320	15,046,141	4,916,196	18,949,358	15,004,738	3,913,884	25,533,202
Total England	127,641,148	47,005,463	222,657,071	146,652,586	48,352,389	209,314,771	162,269,306	38,333,054	304,423,054
Anglesey	227,692	171,836	80,598	261,529	191,681	66,572	259,183	184,717	68,563
Brecon	294,131	195,129	228,589	314,723	216,228	173,542	286,134	192,672	169,967
Cardigan	266,242	211,377	123,378	301,632	235,759	91,856	303,643	228,827	101,883
Carmarthen	510,550	386,547	369,303	580,857	423,509	284,406	628,689	440,431	388,801
Carnarvon	378,036	195,802	359,668	457,203	212,513	420,570	518,435	213,468	468,854
Denbigh	516,491	340,313	539,019	588,965	382,134	355,686	578,752	337,378	445,340
Flint	353,376	211,004	379,197	400,072	226,638	334,464	389,539	209,495	313,235
Glamorgan	1,292,265	289,158	4,119,034	1,659,195	342,433	2,944,785	2,564,340	336,584	6,545,187
Merioneth	189,415	131,307	181,498	217,517	147,455	229,031	232,540	140,655	156,940
Montgomery	402,493	324,039	166,716	425,690	347,963	167,696	402,614	327,960	133,036
Pembroke	435,760	340,654	159,463	484,336	363,624	99,423	483,845	355,319	148,933
Radnor	193,085	163,106	34,418	209,443	183,234	34,988	190,173	163,074	44,303
Total Wales	5,079,536	2,960,272	6,739,821	5,901,152	3,273,171	4,152,020	6,837,587	3,120,580	8,984,371

Appendix D

County.	1874-75.			1879-80.			1892-93.		
	Schedule A.	Schedule B.	Schedule D.	Schedule A.	Schedule B.	Schedule D.	Schedule A.	Schedule B.	Schedule D.
	£	£	£	£	£	£	£	£	£
Aberdeen	1,056,001	640,581	990,269	1,217,271	685,839	1,285,037	1,315,653	625,310	1,544,942
Argyll	446,089	303,628	177,907	488,330	313,056	226,418	445,165	240,275	241,005
Ayr	874,292	522,630	1,376,212	996,200	556,723	821,680	1,040,461	485,365	1,085,670
Banff	212,726	162,281	81,536	226,047	164,927	104,978	224,685	146,472	107,154
Berwick	372,608	325,427	67,126	388,235	335,317	74,252	283,850	232,595	66,730
Bute	87,870	36,106	45,331	111,297	34,801	60,604	115,760	24,754	55,478
Caithness	127,524	89,619	43,432	135,832	97,864	51,965	126,054	82,942	44,592
Clackmannon	84,394	38,702	165,502	102,246	31,276	115,822	110,945	24,245	273,647
Cromarty	11,454	9,132	1,339	11,589	9,405	1,817	10,647	8,452	1,879
Dumbarton	285,592	85,807	429,114	338,625	93,533	451,307	415,041	78,815	684,174
Dumfries	519,524	393,669	247,157	576,505	424,501	254,889	516,476	349,009	290,232
Edinburgh	1,993,815	297,894	5,170,725	2,471,760	308,193	5,701,071	2,884,512	254,574	*256,471 7,810,790
Elgin	167,328	112,850	113,566	182,734	118,821	141,204	185,322	103,726	129,500
Fife	804,420	489,863	709,150	867,499	480,353	513,558	833,040	352,403	1,085,241
Forfar	1,146,278	446,534	1,655,011	1,300,582	433,374	1,523,357	1,284,623	338,540	2,037,836
Haddington	314,003	251,770	112,776	328,398	256,159	97,095	265,286	184,630	114,451
Inverness	328,633	225,240	256,508	347,621	238,746	336,394	334,813	191,882	442,421
Kincardine	210,177	176,663	33,509	220,034	178,234	56,394	201,616	144,760	82,675
Kinross	60,467	49,182	12,630	61,721	49,187	12,530	51,457	38,608	21,350
Kirkcudbright	337,463	275,701	79,119	387,440	300,625	97,818	315,945	239,658	113,935
Lanark	3,553,526	427,250	12,550,480	4,617,896	433,040	9,655,168	4,872,692	378,310	14,067,425
Linlithgow	173,942	99,340	127,198	174,860	98,724	134,563	191,920	78,525	232,853
Nairn	39,119	27,096	13,417	43,970	28,788	22,837	44,779	26,275	21,616
Orkney	62,908	50,191	15,964	73,393	56,850	24,116	72,520	52,974	26,190
Peebles	120,166	94,187	44,705	127,865	98,340	70,648	111,191	69,950	103,079
Perth	803,563	646,304	331,594	929,476	648,484	461,460	842,579	498,894	572,302
Renfrew	916,658	173,818	1,588,736	1,198,797	179,289	1,682,704	1,364,915	161,183	2,538,809
Ross	249,160	191,585	42,101	256,827	215,802	70,970	237,462	174,795	88,230
Roxburgh	439,012	321,866	194,096	481,893	341,109	244,662	414,997	248,343	309,009
Selkirk	102,767	61,399	138,966	119,811	63,709	161,545	116,200	46,283	192,173
Stirling	304,895	211,202	438,377	454,912	210,052	452,764	483,097	171,364	657,026
Sutherland	68,861	51,478	17,372	75,969	66,607	29,054	68,044	48,055	43,201
Wigtown	225,751	180,801	80,575	250,178	199,090	88,536	221,348	165,556	78,580
Zetland	33,491	24,158	13,674	36,902	26,101	18,582	42,902	25,886	14,524
Total Scotland	16,716,474	7,403,453	27,412,223	19,582,445	7,776,919	25,136,394	19,991,006	6,291,358	256,471 35,178,941
England	127,641,148	47,005,463	222,657,071	146,652,586	48,352,389	209,314,771	162,269,306	38,333,054	304,423,054
Wales	5,079,536	2,960,272	6,739,821	5,001,152	3,273,171	5,152,020	6,837,887	3,120,580	8,984,371
	132,720,684	49,965,735	229,396,892	152,553,738	51,625,560	214,466,791	169,107,193	41,453,634	313,407,425
Scotland	16,716,474	7,403,453	27,412,223	19,582,445	7,776,919	25,136,394	19,991,006	6,291,358	35,435,412
Great Britain	149,437,158	57,459,188	256,809,115	172,136,183	59,402,479	239,603,185	189,098,199	47,744,992	348,842,837

* Foreign dividends and coupons assessed at Head Office.

C TURNER,
Accountant-General.

Inland Revenue,
1st August 1894.

APPENDIX E.

STATEMENT showing the Rates of Freights at the following Dates in the under-mentioned Trades, and for the Articles under-mentioned.

(Extracted principally from the Circular of Messrs. Galbraith, Pembroke, & Co.)

—	Dec. 1893.	Feb. 1893.	Nov. 1892.	Jan. 1892.	Feb. 1891.	Jan. 1890.	Jan. 1889.	Jan. 1888.	Jan. 1887.	Jan. 1886.	Jan. 1885.	Jan. 1884.	Jan. 1883.	Jan. 1882.	Jan. 1881.	Jan. 1880.	29 July 1879.	Jan. 1879.	Jan. 1878.	Jan. 1877.	Jan. 1876.	Jan. 1875.	Jan. 1974.	Jan. 1873.	Jan. 1872.
GRAIN FREIGHTS:																									
New York to United Kingdom or Continent (steamer) per qr.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d. 5 0	s. d. 4 0	s. d. 5 9	s. d. 4 9to 5 0	s. d. 6 0	s. d. 6 0	s. d. 6 0	s. d. 6 0	s. d 6 0	s. d. 6 6	s. d. 8 6	s. d. 8 6	s. d. 10 6	s. d.	s. d.
Philadelphia do.	*	*	*	*	*	*	*	*	*	*	4 9	4 0	5 9	4 9to 5 6	6 0	*	6 0	*	6 0	6 6	8 6	8 6	10 6	7 0to 7 6	*
San Francisco to United Kingdom or Havre (iron sailing ship), per ton, wheat.	25 0	21 3	25 6	22 6	38 0	37 6to 40 0	40 0	26 9to 27 6	32 6to 33 9	36 3	40 0	*	40 0	71 0	70 0	62 6to 65 0	47 6†	35 0to 37 6	35 0	*	*	*	67 6to 70 0	70 0to 75 0	*
San Francisco to Continent	30 0	26 3	30 6	*	*	40 0to 42 6	45 0	26 9to 27 6	38 0	36 3	40 0	*	*	71 0	70 0	*	52 6†	*	40 0	*	*	*	*	*	*
Odessa to United Kingdom or Continent (steamer).	10 0to 11 6	7 3 large.	9 0	9 6	13 6	18 0to 20 0	18 9to 22 6	17 0to 18 6	15 0to 16 3	11 6to 12 6	15 0	16 0to 18 0	22 6	25 0	20 0	20 0to 22 6	22 6	18 0to 20 0	37 6\ 40 0	40 0 (Azoff.)	32 6to 35 0	25 0to 27 6	40 0	35 0	45 0to 47 6
GUANO FREIGHTS:																									
Chinchas to United Kingdom	‡25 0to 26 3	‡22 6	‡26 3	‡30 0	35 0 wood. 37 0 iron.	35 0 wood. 37 6 iron.	28 9to 30 0‡	27 6	26 3‡	27 6	*	35 0to 40 0	*	50 0to 52 6	60 0	40 0 42 6	45 0	45 0	55 0	65 0	67 6	67 6	65 0	67 6	62 6
RICE FREIGHTS:																									
Rice ports, Rangoon, &c. to United Kingdom (sailing ship).	—	20 0	23 9to 25 0	30 0	32 6to 35 0	35 0	37 6 small.	32 6 small. 27 6to 30 0 large.	30 0 small.	*	40 0 small. 37 6 large.	45 0	*	*	50 0to 52 6 small. 42 6to 45 0 large.	50 0to 52 6	40 0	50 0to 52 6 small. 45 0 large.	52 6 small. iron ship.	62 6	*	70 0to 72 6	77 6	75 0	72 6
COAL FREIGHTS (Outward Steamer):																									
Wales to Aden - per ton Weight	9 3	11 6	10 0	9 0	12 6	16 0	19 0	21 0	14 0	13 6	16 6	17 0	16 0	13 6	16 6	19 6	29 0to 30 0	27 6	21 0	*	21 0	20 0	29 0to 30 0	22 6	*
„ Bombay - „	10 0	9 6	9 6	9 0	10 6	15 6	19 0	21 0	14 6	15 0	18 0	17 6	16 6	14 6	18 0	22 0	30 0	27 6	23 0	19 0to 20 0	23 0	20 0	*	*	*
„ Lisbon - „	*	*	*	*	*	*	*	*	6 0	6 0	6 3	7 6	8 3	*	*	*	8 6to 9 0	8 9	*	8 0	*	*	*	*	*
„ Gibraltar - „	6 0	6 6	6 9	6 6	7 0	6 9	8 3	8 6	7 6	7 0	6 9	8 0	9 0	10 6	9 6	9 6	9 3	9 6	9 0	8 6to 9 0	10 6	10 0	11 6	10 0	10 0
„ Odessa - „	*	*	*	*	*	*	10 6	*	9 6	9 0	10 6	9 3	11 0	13 6	15 0	15 0	11 0	13 6to 14 0	*	14 6	14 6	13 0	16 0	15 0	15 0
COAL FREIGHTS (Sailing Vessel):																									
Wales to Aden - per ton Weight	*	*	*	*	*	*	*	*	*	*	*	*	19 6	*	*	25 0	25 0	27 0	23 0to 24 0	21 0	24 0	28 0	34 0	30 0	27 6
„ Bombay - „	10 6	11 6	11 0	10 6	16 0	20 0	24 0	21 0	16 9	16 0	18 6	18 6	20 0	*	21 0	25 6	25 6	26 6to 27 0	23 0	21 0	23 0	28 0	30 0	30 0	24 0
„ Lisbon - „	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	9 6	*	*	8 0	9 0	9 6	*	9 6to 10 0	10 0
„ Madeira - „	*	*	*	*	*	12 0	11 0	10 0	9 0	*	9 0	9 6	12 6	12 6	10 3	12 0	10 0	8 6to 9 0	9 0	8 6	10 6to 11 0	11 0	13 0	14 0	11 0
„ Mauritius „	13 6	12 3	11 0to 12 0	13 6	18 6to 19 6	25 0	30 0	23 6	*	17 0	21 0	22 6	22 6	21 6	23 6	28 0	21 0	25 0	*	*	*	25 0to 27 0	*	25 0to 26 0	*
„ Demerara „	*	11 0	11 0	*	14 0	*	*	14 0	12 6	*	*	15 0	16 0	16 0	*	14 6	15 0	14 0	15 0	11 0	*	16 0	17 0to 18 0	18 0	19 0
„ Barbadoes „	*	*	*	10 6			*	*	*	*	*	*	*	14 6	*	12 6	12 0	*	*	8 6	*	*	*	15 0to 16	12 0

* No quotations.

† Equal to about 10s. per quarter

‡ Nitrate ports to United Kingdom.

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